Austria Sch 18	Indonesia Rp 2500	Portugal Esc 80
Bahrain Din 0.650	Italy L 1200	S Arabia Rls 6.00
Belgium BFr 38	Japan Y550	Singapore S$4.10
Canada C$1.00	Jordan Fils 500	Spain Pta 100
Cyprus C£0.60	Kuwait Fils 500	Sri Lanka Rup 30
Denmark DKr 7.25	Lebanon L£5.00	Sweden SKr 6.50
Egypt E£1.00	Luxembourg LFr 38	Switzerland SFr 2.00
Finland Fmk 5.50	Malaysia Ringgit 4.25	Taiwan NT$65
France Fr 6.00	Mexico Pes 300	Tunisia Din 0.600
Germany DM 2.20	Morocco Dh 6.00	Turkey L 180
Greece Dr 60	Netherlands Fl 2.50	UAE Dh 6.50
Hong Kong HK$12	Norway Kr 6.00	U.S.A. $1.50
India Rup 15	Philippines Pes 20	

FINANCIAL TIMES

EUROPE'S BUSINESS NEWSPAPER

No. 29,480 Wednesday November 21 1984 D 8523 B

The life blood drains from Africa, Page 18

NEWS SUMMARY

GENERAL

Reagan's UN envoy to quit politics

Mrs Jeanne Kirkpatrick, the U.S.'s hard-line ambassador to the United Nations, announced that she was returning to private life after the current UN General Assembly ends on December 10.

President Reagan plans to keep his current national security policy team intact as he starts his second term, apparently removing the possibility that Mrs Kirkpatrick might be given a high-ranking post as a security adviser.

Mr Caspar Weinberger, the Defence Secretary, Mr William Casey, the Director of the Central Intelligence Agency, and Mr Robert MacFarlane, the National Security Adviser, are planning to stay on at Mr Reagan's request. Page 20

Basque murder

Dr Santiago Brouard, veteran leader of Herri Batasuna, the extremist Basque party linked to the ETA separatist organisation, was shot dead in Bilbao.

Quebec move

A sudden decision by Quebec's ruling Parti Québécois to play down the issue of provincial sovereignty in forthcoming elections underscored a growing move to bring Quebec back into the mainstream of the Canadian federal system. Page 6

Soviet missile move

The U.S. believes the Soviet Union has temporarily stopped deploying its medium-range SS-20 nuclear missiles and is preparing some SS-20 bases for eventual deployment of a new experimental strategic missile. Page 3

Poles skip liner

A group of 182 Polish tourists failed to return to their cruise liner from a sightseeing trip in Hamburg. At least 40 of them asked for political asylum at various police stations in the city.

Mexico toll rises

The death toll in the liquid gas fire in an industrial suburb of Mexico City rose to at least 270, with 2,000 burn victims and hundreds more suffering from poisoning. Page 6

Hermes decision

France made clear its intention to press ahead with building a manned space vehicle, Hermes, for the 1990s even if its European partners decline to support the project. Page 20

Nato row

Denmark's minority coalition government is moving towards a showdown with the socialist opposition parties over the country's relationship with Nato, which might lead to an early general election. Page 3

Guns removed

East Germany has removed virtually all the estimated 50,000 automatic shrapnel guns along its border with West Germany which were designed to prevent escapes. Page 2

Italy strike call

Italian trade union leaders said between 15m and 18m workers were expected to take part in a four-hour general strike today in support of demands for a fairer taxation system.

Marcos 'well'

After days of speculation, Philippines President Marcos issued a statement saying he was in good health but stopped short of denying that he had undergone surgery.

BUSINESS

Crocker National chairman resigns

CROCKER NATIONAL chairman and chief executive John Place has resigned. His decision was due, in part, to the board's approval of an agreement calling for Midland Bank to assume full ownership of Crocker. Place is succeeded by Frank Cahouet, Crocker's president.

DOLLAR advanced in London to DM 3.006 (DM 2.992), SwFr 2.489 (SwFr 2.4735), FFr 9.2225 (FFr 9.18) and Y245.0 (Y243.8). On Bank of England figures, its trade-weighted index rose to 140.0 from 139.8. In New York, it closed at DM 3.005, FFr 9.2125, SwFr 2.489 and Y244.85. Page 41

STERLING was weaker against the strong dollar, falling 1.1 cents to $1.238. It also slipped to DM 3.725 (DM 3.7375), SwFr 3.08 (SwFr 3.09), FFr 11.3975 (FFr 11.4575) and Y303 (Y304.25). Its exchange rate index was unchanged at 76.0. In New York it closed at $1.2395. Page 41

WALL STREET: The Dow Jones industrial average closed 9.83 up at 1,195.12. Section III

LONDON equities were overshadowed by British Telecom, taking the FT Industrial Ordinary index 6.3 down at 912.8. Section III

TOKYO stocks were thinly traded, and the Nikkei-Dow market average dipped 27.23 to 11,256.98. Section III

GOLD rose 75 cents on the London bullion market to $342.75. It was slightly lower in Frankfurt at $343 and in Zurich at $342.75. In New York, the Comex December settlement was $343.80. Page 40

JAPANESE Ministry of Finance has assumed the responsibility for obtaining British banking licences for Japanese securities houses. Page 24

FRENCH trade balance returned to deficit in October after a sharp rise in imports. After two consecutive months of surplus, France had a trade deficit of FFr 3.4bn ($370.3m). Page 3

ROMANIA has unexpectedly revalued its currency, the leu, by 20 per cent. Page 2

EUROPEAN COMMISSION will recommend to industry ministers of the Community tomorrow that it should be given a mandate to negotiate with the U.S. a sales restraining agreement for steel pipes and tubes. Page 20

SIEMENS, West German electrical and computer company, increased sales by 16 per cent to DM 45.8bn ($15.3bn) in the year to September 30. It is raising its dividend from DM 8 to DM 10 a share, its highest rate since the war. Page 22

ELECTROLUX, the Swedish electrical appliance group, lifted earnings 46 per cent to SKr 1.69bn ($196m) after financial items for the nine months ending September. Page 21

BANK WOZCHOD-Handelsbank, the Swiss-based Soviet gold-trading bank, dismissed its chief gold dealer for trading beyond price limits designated by the bank.

DU PONT, U.S. chemicals giant, is to set up a new plant in Bristol, England, to make connectors for the electronics industry. Page 12

SAIPEM, Italian oil and gas pipe-laying group, launched the largest-ever issue to the Milan bourse – a L124.5bn ($67m) offer – which privatises 20 per cent of the group. Page 22

CBS, the big U.S. broadcasting and publishing group, is buying Ziff-Davis's consumer magazine publishing operations for $362.5m in cash. Page 21

PREMIER GROUP, South Africa's largest diversified food group, lifted first-half sales 8.4 per cent to R1.17bn ($657m). However, the company experienced increasingly difficult trading conditions. Page 24

Slowdown in U.S. growth sharper than predicted

BY REGINALD DALE, U.S. EDITOR, IN WASHINGTON

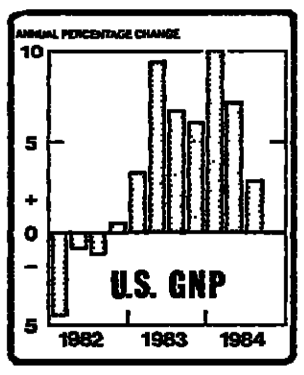
THE U.S. ECONOMY slowed even more sharply than first thought in the third quarter, with gross national product expanding at an annual rate of only 1.9 per cent, the Commerce Department said yesterday.

The revised figure was down from the department's preliminary estimate of 2.7 per cent last month, and compared with a gain of 7.1 per cent in the second quarter and 10.1 per cent in the first. It was the slowest quarterly rate of U.S. economic expansion since the fourth quarter of 1982.

Yesterday's batch of indicators also showed after-tax corporate profits falling by almost $11bn, or 7.3 per cent, in the third quarter and housing starts sharply down by 9.8 per cent in October.

Combined with other recent downward-pointing indicators, the new figures were widely seen as reinforcing fears that the autumn slowdown might persist well into the winter. The Administration has hitherto welcomed the reduced pace of expansion as a sign that growth is settling down at a more sustainable rate.

It admits, however, that the slower growth than expected in the third quarter is a factor behind its latest upward revision of projections for the federal budget deficit in the current 1985 budget year – from $172bn in August to between $205bn and $210bn last week.



The slow rate of GNP expansion was largely due to declines in consumer spending and a worsening U.S. trade balance, with imports continuing to exceed exports by a wide margin, the Commerce Department said.

Inflation, as measured by the GNP price deflator, remained moderate in the third quarter, with prices rising at a 3.7 per cent annual rate, against 3.3 per cent in the second quarter.

The sharp decline in corporate profits, to $139.3bn at a seasonally adjusted annual rate, compared with a modest drop of 0.3 per cent in the second quarter. It left after-tax earnings 2.3 per cent lower than in the third quarter of 1983.

The 9.8 per cent fall in housing starts in October more than offset a revised 8.0 per cent increase in September, and brought construction activity down to 9.4 per cent below the level of October 1983. The October starts level was the lowest since 1982.

Mr Malcolm Baldrige, the Commerce Secretary, added, however, that "more relaxed credit conditions in recent weeks" should soon boost housing construction. He attributed the October decline to high mortgage interest rates during the summer.

Philip Stephens in London writes: The slowdown in U.S. growth did nothing to deter a further rise in the dollar's value, with the U.S. currency breaking through

Continued on Page 20

UK cyclical indicators, Page 13; Tough times for U.S. farmers; Lex, Page 20; Money markets, Page 41

Coalfield withdraws support for British pit strike

By Philip Bassett in London

MINERS' LEADERS in the small British coalfield of North Wales have told the National Union of Mineworkers (NUM) that they can no longer support the union's strike. Last night, the National Coal Board (NCB) claimed that it was the first formal split in the NUM.

The executive of the North Wales NUM said it took the decision because most of its members had returned to work. Although the coalfield is very small, with only two pits and 1,000 miners, senior NCB officials were jubilant.

Other areas, such as Nottinghamshire, which is Britain's second biggest coalfield, with 30,000 miners, and Leicestershire and South Derbyshire, have had most of their men working throughout the dispute. But the North Wales decision is the first formal about-turn by an NUM area that had been a supporter of the strike against pit closures.

"We have had to recognise the position as it stands," Mr Raymond Ellis, the NUM area president, said. "The situation has changed over the past few days." At one of the North Wales pits, about two thirds of the workforce has been at work for some time. At the other, there has been a rapid return to work this month and nine tenths of the miners are now back.

The NCB Western area said the men had "voted with their feet to return to work. It is a commonsense decision."

The board claimed that, nationwide, another 940 men went to work yesterday for the first time since the start of the dispute in March. That followed 2,280 "new faces" on Monday and the board estimates that over 60,000 miners, or a third of the labour force, are no longer on strike.

Mr Arthur Scargill, the NUM President, again attacked the board's figures and said the press *was being blatantly used by the* Government and the NCB to "cripple" the NUM.

NCB officials privately acknowledged that Mr Scargill's claim that only about 51,000 miners are working might be at least partially true. They accept that, particularly on Mondays and Fridays, the board cannot really tell how many miners are working, although the NCB insists on the accuracy of its figures for "new faces."

They acknowledge that with those absent, sick, on rest days or involved in accidents, the gap between the NCB's and the NUM's figures might not be as contradictory as it might appear.

Pit strike costs grow, Page 13

Kodak plans to diversify in telecom sector

BY PAUL TAYLOR IN NEW YORK

EASTMAN KODAK, the world's largest photographic products group, is entering the highly competitive telecommunications business. The group, based at Rochester, New York, said in a surprise announcement yesterday that it planned to set up a new division of Eastman Communications "to market enhanced-value telecommunications services to business and commercial customers."

The move will pit Eastman Kodak against a wide range of U.S. telecommunications groups and others competing for a share of the fast expanding but highly competitive market for business communications.

Apart from American Telephone and Telegraph (AT&T), other competitors in the market include MCI Communications, GTE Sprint, IBM, ITT, electronic mail carriers such as MCI, Western Union and a wide range of other companies that repackage services for business customers.

Kodak plans to build its telecommunications business around its existing internal network, expanded by using long-distance telephone lines from AT&T. Kodak added yesterday that it was "negotiating" with unnamed overseas carriers to extend its business telecommunications service offerings to Europe, Latin America and Asia.

The company said that the new division's initial product offerings would include enhanced data transmission, voice and shared network services. "Customers will be able to place long-distance calls to any telephone in the U.S., as well as many international locations, by accessing Kodak's long-distance network," the company said.

Mr Lester Miller, Kodak's telecommunications co-ordinator who was yesterday named general manager of the new division, said Kodak's existing network had the capacity to accommodate the new business and commercial customers as well as meeting Kodak's internal needs.

Mr Miller said Eastman Communications would use AT&T telephone circuits to route long-distance calls together with Rochester Telephone Company and AT&T switching facilities. "This combination will provide customers with high-quality, long-distance connections at competitive prices," Mr Miller claimed.

Kodak said the aim of the move was to capitalise on its existing internal telecommunications network, which handles about 7m long-distance calls each year and moves nearly 1m data files between 225 locations worldwide.

The group, which last year reported net earnings of $565m on

Continued on Page 20

Brazilian and Soviet aid for Angolan dam project

BY MAURICE SAMUELSON IN LONDON

THE ANGOLAN Government is expected to confirm today that it is to build one of the largest hydroelectric and irrigation schemes in Africa since Egypt opened the High Dam at Aswan 20 years ago.

The scheme, on the Kwanza River, will cost about $900m and will be constructed with help from Brazil and the Soviet Union. At least two thirds of the cost will be covered by the sale of Angolan oil to Brazil.

According to oil industry sources in Angola, 3½ years of negotiations will have led to a signing ceremony today in Luanda, the capital.

The civil engineering part of the contract, worth $600m, is to be carried out by Construtora Norberto Odebrecht, one of Brazil's leading construction companies.

Tekhnopromeksport of the Soviet Union will supply the turbine-generators for the 520 MW hydroelectric power station.

A 170 sq km lake will form behind the dam which is to be built on the river 400 km south-east of Luanda, providing water for irrigation schemes.

The power station is intended to provide cheap electricity for mining and other industries.

The scheme underlines the Angolan authorities' plans to expand the economy despite continuing security difficulties in various parts of the country. It also reflects Angola's cultural ties with Portuguese-speaking Brazil and the political links with Moscow.

The Brazilian Government is understood to have insured the credit terms under which the civil engineering works will be carried out.

That follows last December's agreement by Petrobras, Brazil's national oil company, to buy $650m worth of oil from Sonangol, its Angolan opposite number.

Sonangol, founded seven years ago, is believed to be producing about 170,000 barrels of oil a day and plans to raise that to 500,000 b/d by the end of the decade.

Some 5,000 people are expected to be employed in building the dam and power station.

Odebrecht, based at Salvador in Brazil's Bahia province, is one of the leading Brazilian engineering companies

Relations stepped up with South Africa, Page 4

UK reacts cautiously to decision on Laker

BY MICHAEL DONNE AND RAYMOND HUGHES IN LONDON

THE UK Department of Transport and British airlines took a cautious line yesterday about the possible effects of President Reagan's surprise decision to halt the U.S. grand jury investigation into allegations of anti-trust violations by competitors of Laker Airways.

Hopes that the U.S. action might result in a speedy end to the Anglo-U.S. row over cheap transatlantic fares this winter were seen as premature. However, the move might facilitate an out-of-court settlement in the separate civil action being pursued in U.S. courts by the Laker liquidator, Mr Christopher Morris, on behalf of Laker creditors.

The civil action seeking $1.1bn in damages from a group of U.S., British and other international airlines was begun two years ago and alleged that the airlines used cheap fares unfairly to Laker's detriment.

With the subsequent grand jury investigation under way, the airlines feared they might face criminal charges of anti-trust violation and felt obliged to contest strongly the claim by Mr Morris.

The removal of the threat of criminal proceedings might allow British Airways and British Caledonian to try to negotiate terms with the liquidator under which they could make a payment without making any admissions of guilt or liability with regard to his allegations against them.

Mr Morris's sole concern is to get as much money as possible for Laker's creditors – which is why he initiated the U.S. action, because un-

Continued on Page 20

Anti-trust laws sour relations, Page 8

IBM set to dispose of Rolm military unit if bid succeeds

BY LOUISE KEHOE IN SAN FRANCISCO

IN ONE of the shortest-lived anti-trust cases in U.S. history, the Justice Department filed a civil anti-trust suit against IBM late on Monday to prevent the computer giant from acquiring Rolm Corporation, the California maker of communications and computer equipment.

Before 10am yesterday morning the suit was settled by a consent decree under which IBM agreed to divest the military specification computer division of Rolm, which represents about 15 per cent of its business, within six months.

The acquisition can now move ahead as planned.

In September IBM announced its intention to acquire the 77 per cent of Rolm that it does not already own for about $1.27bn in paper. Rolm shareholders are to meet today to consider the offer.

According to Deputy Assistant Attorney General Mark Leddy, the Justice Department suit was aimed at preventing elimination of the potential for competition in the military specification (mil-spec) computer market.

Rolm is an important supplier of such specially toughened computers. IBM does not make mil-spec computers at present, although it supplies many computers to the military. IBM had, however, informed the Justice Department of its intention to introduce toughened versions of its commercial computers in 1985, Mr Leddy said.

IBM and the Justice Department emphasised that there was nothing unusual about the speedy settlement of the case. "It is in keeping with our policy of settling agreements before a complaint is filed," the department said.

"The settlement of this case was agreed before the suit was filed," Mr Leddy said. Only a technical difficulty with the court filing prevented IBM's consent from being recorded simultaneously with the suit, he explained.

The Justice Department proceeded with the suit to make the settlement enforceable by court order, he added.

In a statement issued yesterday, Mr Paul McGrath, head of the anti-trust division, said that his agency reviewed other aspects of the proposed merger and concluded there was "insufficient legal basis for challenging" those aspects of the acquisition.

According to Mr Leddy, who led the anti-trust investigation, the Justice Department looked at the possible anti-competitive implications of IBM's acquisition of Rolm's primary business in the private branch exchange (PBX) market. No other aspects of the acquisition were reviewed, he said.

Mr Leddy emphasised that this anti-trust suit against IBM should not be regarded as a signal of any change in policy at the Justice Department, nor of any anti-trust concern about IBM's domination in several sectors of the U.S. computer market.

The U.S. Government dropped its 14-year multi-million dollar anti-trust suit against IBM in 1982. Since then, IBM has, according to competitors, become increasingly aggressive in several sectors of the computer market.

CONTENTS

EUROPEAN NEWS

Italy offers its farmers cash to curb milk

By James Buxton in Rome

THE ITALIAN Government has formally launched a scheme to encourage dairy farmers to reduce their milking herds by slaughtering cows or putting them to other uses, such as beef production.

The scheme, for which it is offering L120bn (£52m) in subsidies over two years, is the only action Italy is taking in response to the EEC's decision to impose a "super-levy" on dairy farmers to cut milk production.

Italy has refused to implement the super-levy and has taken no steps even to inform its dairy farmers about it. Its basic argument is that the levy would penalised the development of Italian milk production, which only meets 70 per cent of the country's needs.

The Government also says that it would be impossible to administer in a country where a number of very large and efficient dairy farms is flanked by the existence of thousands of smallholders with cows, many in remote hill and mountain areas.

The EEC Commission is close to starting legal proceedings against Italy for its failure to implement the levy which was agreed by Farm Ministers last March.

Rather than inflict the levy on individual farmers who exceed their quotas, Italy is prepared to pay the levy if the country as a whole exceeds its national quota. But the commission and countries such as Britain and France which are imposing the super-levy, argue that this conflicts with the principle and gives individual farmers no incentive to lower output. On a national basis, the total quota may well not be exceeded.

GENSCHER ON DELICATE THREE-DAY MISSION

Bonn seeks to rebuild Polish links

BY RUPERT CORNWELL IN BONN

THE WEST GERMAN Foreign Minister, Herr Hans-Dietrich Genscher, arrives in Warsaw today to begin a delicate three-day stay, aimed at putting strained relations between the two countries back on a normal footing.

The importance of the trip in Bonn's eyes — not just in bilateral but also in wider East-West terms—is underlined by the fact that Herr Genscher is travelling not just as Foreign Minister but also in his capacity as Deputy Chancellor and thus the personal representative of Herr Helmut Kohl.

It is the highest-ranking trip by a West German official since the declaration of the Polish state of emergency in December 1981. But even a two-week postponement from the date originally planned has not prevented it falling foul of the new tensions in Poland created by the murder of the Solidarity priest, Fr Jerzy Popieluszko.

Herr Genscher successfully fended off pressure from the right wing of the coalition in Bonn for a special Bundestag debate on the situation in Poland after security officials kidnapped the priest.

This, it was argued, would merely have endangered the success of his mission. But the Foreign Minister is now facing demands from the same quarters for a gesture of "moral support for the Polish people," as well for action to improve the lot of the estimated 500,000 ethnic Germans in Poland.

As a result, the Foreign Ministry is refusing comment on whether Herr Genscher plans to lay a wreath at the grave of Fr Popieluszko, although it is not ruled out that he might do so in a private, not public, capacity.

A separate factor forcing Herr Genscher to tread all the more carefully has been the sustained propaganda barrage *from Warsaw—exceeded only* by that from Moscow—against West German "militarism and revanchism." Only last weekend, General Wojciech Jaruzelski, Poland's military leader with whom Herr Genscher will hold talks, returned to the theme.

The Polish leadership will again be told in no uncertain terms that such charges are ludicrous, notwithstanding ammunition offered by casual remarks here, notably one lately by Herr Friedrich Zimmermann the Interior Minister, that "Germany doesn't mean only the Federal Republic and East Germany."

The hope here is that the sharpness, at least, of the rhetoric will be blunted as the *East bloc takes its cue from the* apparently greater readiness now on show from Moscow to defrost its ties with the U.S. But, as a separate extra gesture of reconciliation, Herr Genscher will visit the Auschwitz extermination camp and lay a wreath in memory of victims of the Nazis.

E. Germany removes border weapons

BY LESLIE COLITT IN BERLIN

EAST GERMANY has removed from its West German border virtually all the estimated 50,000 automatic shrapnel guns which were designed to prevent escapes. The only weapons remaining, along a 16.3 km stretch, are expected to be dismantled in a few days.

President Erich Honecker last year promised the visiting Bavarian Prime Minister, Herr Franz-Josef Strauss, that the guns would be removed. This, in turn, led Herr Strauss to support a DM 950m (£254m) loan organised by several Bavarian banks and guaranteed by the West German Government.

Removal of all the weapons was viewed in Bonn as an important sign of East Berlin's willingness to make humanitarian concessions.

The shrapnel guns were mounted on the last border fence to West Germany along 147 km of the 1,393 km-long frontier. They were triggered when escapees touched electric wires on the fence. This released shrapnel which caused abdominal and leg wounds.

Herr Heinrich Windelen, West Germany's Minister of Inner-German Relations, said that escapees would now no longer be "turned into chopped meat." He pointed out, however, that East Germany had replaced the self-firing weapons with a higher border fence.

Romanian lei revalued against hard currencies

By Patrick Blum in Bucharest

ROMANIA HAS unexpectedly revalued the lei against Western currencies by more than 20 per cent. It has also reduced domestic interest rates by three percentage points.

Both moves are designed to encourage the growth of exports, officials here say.

The revaluation decree, which must make the lei one of the most highly valued currencies in the East bloc, has not been published but is already effective.

The tourist rate for the U.S. dollar is just above Lei 12 compared with about Lei 15 a month ago. The commercial lei has also been revalued to 17.5 to the dollar from 21.5.

The two moves surprised most observers here and will surprise the International Monetary Fund even more. In negotiations over Romania's debts, the IMF recently suggested that a lower exchange rate might reflect the currency's real value more closely.

President Nicolae Ceausescu said on Monday that lowering interest rates and "easing" penalties for "inadequate activity" would "stimulate the collective enterprises to fulfil their plan targets exemplarily."

Penalties will be paid in future from the workers' profit-sharing fund. This, combined with a closer relation of wages to output and profits, would appear to leave pay levels somewhat vulnerable.

The decision to raise the value of the lei appears also intended to force companies to be more efficient in their exporting activities, although diplomats suggest that, since it will make Romanian goods dearer on the international markets, it may well be counter-productive.

The rate of 17.5 to the dollar for commercial exchanges brings the lei back to its 1981 level when negotiations with the IMF began. It was then gradually devalued to 18.5, then 21.5, where it remained until the new rate was introduced at the end of last month.

Romania's action may also well reflect strong displeasure with the IMF whose strictures and approach appear to have caused some displeasure in Bucharest.

In his speech on Monday, Mr Ceausescu said that the IMF should restructure its regulations so as not to interfere in the internal economic and political affairs of a sovereign state.

There is a definite feeling here that Romania would not want to repeat its recent experience with the Fund, a fact which may account in great part for the Romanian leadership's desire to pay back all its debts as soon as possible.

James Buxton assesses Andreotti's chances of fending off allegations of corruption

Italy's foreign minister battles for political survival

● Sig Andreotti (left): an Italian parliamentary report alleges he was involved in an oil scandal

GUIULO ANDREOTTI, Italy's Foreign Minister, once said of his country's politicians: that "Power wears out those who don't have it." This week could show whether it may not eventually do the same for those who, like Sig Andreotti, have had power in abundant quantities for decades.

This morning the two houses of parliament meet in joint session in Rome to decide what action to take over a parliamentary report on Sig Andreotti's alleged involvement in one of Italy's bigger scandals — the so called oil scandal.

The accusation is that between 1972 and 1974, when Sig Andreotti was Prime Minister and then Minister of Defence, he worked to secure the appointment of Gen Raffaele Guidice as head of Italy's Guardia di Finaza, the fiscal police. Gen Guidice subsequently, it is alleged used his office to abet a vast racket whereby the taxman was defrauded of — it is claimed — about L2,000bn (£859m) by means of a fiddle on the duty payable on gas oil.

The scandal broke in 1980 and the General is now in prison awaiting trial.

Even some of Sig Andreotti's enemies concede privately that *the evidence against him is far* from overwhelming. For one thing the bribe said to have been paid to Sig Andreotti and to Sig Mario Tanassi, a minister at the time, was implausibly small—a derisory L60m (£25,750).

But that is hardly the point. For after more than 40 years of effortless survival, often in the face of the most serious accusations, things have started to go *wrong for Sig Andreotti.*

For years his power has rested on two things: on a superbly cultivated position in the Christian Democrat Party, and on his special ties with the Communist Party, which have made him an indispensable link between the ruling party and the opposition. In the late 1970s he even brought the Commun ists temporarily into the ruling majority.

But all that seemed to go up in smoke last month when Sig Alessandro Natta, the new Communist Party leader, suddenly turned against Sig Andreotti. Only a day after the party had, to its subsequent embarrassment, saved him in a parliamentary vote on another scandal, his alleged connection with the bankrupt financier Sig Michele Sindona, Sig Natta insisted on his resignation.

The Communist Party volte face, which came only weeks after party stalwarts had had their children photographed at Sig Andreotti's feet at the communists annual festival, seemed to show Sig Natta's determination to abandon for good the idea of the communists coming to power in alliance with the Christian Democrats, in favour of a more arduous road to power via the left.

It also meant the unleashing of parliamentary assaults on Sig Andreotti over his alleged past misdeeds. A vote in the Senate last month on the Sindona issue was won, thanks partly to the decision to hold an open rather than a secret ballot—secret ballots allow Government MPs to vote against their party line in comfortable anonymity.

No such potential sanctuary is available at the end of this week's two day "trial" of the 65-year-old minister. The vote by the 953 senators and deputies will be secret. Two small parties of the left, plus the neo-Fascist Italian Social Movement are proposing that Sig Andreotti be impeached which would lead to his being sent before the constitutional court.

The communists, however, are going initially for the lesser option of asking for the extension of the investigation for another four months. It is said that they have done so in response to complaints both from their bewildered supporters and from ambassadors of East Bloc countries, who do not wish Italy to lose a foreign minister so favourable to East-West dialogue. The five party ruling coalition, on the other hand, is proposing that the investigation of Sig Andreotti on this issue be closed.

For the Government motion to fail nearly 100 coalition MPs will have to vote against it. That is certainly not impossible, given that there are Christian Democrats who dislike Sig Andreotti and members of other parties in the coalition who oppose him.

But even if the vote went against Sig Andreotti, which is on balance unlikely, the Government would probably not fall, nor would he resign. Sig Bettino Craxi, the Prime Minister, made clear at the weekend that his Government would not be brought down by anything but a declared vote against it, while in present circumstances, the Christian Democrats would be most reluctant to accept a Cabinet reshuffle.

There is therefore the possibility that Italy might have a foreign minister under investigation, if not impeached, when, next January, it assumes the presidency of the EEC.

If on the other hand, the question of General Giudice's appointment is, as the Government wishes, relegated to the archives, there are more votes on other questions involving Sig Andreotti scheduled for the next few weeks, and the communists can if they wish exhume other buried accusations against him, such as his past involvement, which he insists was innocent, with Sig Licio Gelli, the venerable master of the P2 masonic lodge.

In any event the loss of communist support makes Sig Andreotti a much less valuable political figure than before and there are even those who say that beneath his sphinx-like serenity he is a worried man.

Yet for many Italians he has the attraction of being both someone who can get things done and one of the few politicians with a sense of humour—the one they would most like to invite to dinner. He is credited with almost supernatural powers of survival and, as a senior official who has no reason to like him said with a rueful smile recently: "Nothing ever happens to Andreotti."

Lloyds joins uniform Eurocheque scheme

LLOYDS BANK has entered the uniform Eurocheque scheme, the premier cheque guarantee system on the Continent. The scheme operates in 39 European and Mediterranean countries.

Uniform Eurocheque cards and cheques will be available in time for next year's main holiday season and will give access to cash availability at 167,000 bank branches and the facility to issue guaranteed cheques in local currency to cover purchases of all kinds in about 4.5m retail outlets.

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BASE LENDING RATES

A.B.N. Bank	10 %
Allied Irish Bank	10 %
Amro Bank	10 %
Henry Ansbacher	10 %
Armco Trust Ltd.	11 %
Associates Cap. Corp.	10½%
Banco de Bilbao	10 %
Bank Hapoalim	10 %
BCCI	10 %
Bank of Ireland	10 %
Bank of Cyprus	10 %
Bank of India	10 %
Bank of Scotland	10 %
Banque Belge Ltd.	10 %
Barclays Bank	9¾%
Beneficial Trust Ltd.	11 %
Brit. Bank of Mid. East	10 %
■ Brown Shipley	10 %
CL Bank Nederland	10 %
Canada Perm'n't Trust	10 %
Cayzer Ltd.	10 %
Cedar Holdings	11 %
■ Charterhouse Japhet	10 %
Choulartons	11½%
Citibank NA	9¾%
Citibank Savings	‡11½%
Clydesdale Bank	10 %
C. E. Coates & Co. Ltd.	11 %
Comm. Bk. N. East	10 %
Consolidated Credits	10½%
Co-operative Bank	*10 %
The Cyprus Popular Bk.	10 %
Dunbar & Co. Ltd.	10 %
Duncan Lawrie	9¾%
E. T. Trust	11 %
Exeter Trust Ltd.	10½%
First Nat. Fin. Corp.	12½%
First Nat. Secs. Ltd.	12 %
■ Robert Fleming & Co.	10 %
Robert Fraser & Ptns.	10½%
Grindlays Bank	‡10 %
■ Guinness Mahon	10 %
■ Hambros Bank	10 %
Heritable & Gen. Trust	10 %
■ Hill Samuel	§10 %
C. Hoare & Co.	†10 %
Hongkong & Shanghai	10 %
Johnson Matthey Bkrs.	10 %
Knowsley & Co. Ltd.	10½%
Lloyds Bank	10 %
Mallinhall Limited	10 %
Edward Manson & Co.	11 %
Meghraj and Sons Ltd.	10 %
Midland Bank	10 %
■ Morgan Grenfell	10 %
National Bk. of Kuwait	10 %
National Girobank	10 %
National Westminster	10 %
Norwich Gen. Tst.	10 %
People's Tst. & Sv. Ltd.	11 %
R. Raphael & Sons	10 %
P. S. Refson	10 %
Roxburghe Guarantee	10½%
Royal Bk. of Scotland	10 %
Royal Trust Co. Canada	10 %
■ J Henry Schroder Wagg	10 %
Standard Chartered	‖10 %
Trade Dev. Bank	10 %
TCB	10 %
Trustee Savings Bank	10 %
United Bank of Kuwait	10 %
United Mizrahi Bank	10 %
Westpac Banking Corp.	10 %
Whiteaway Laidlaw	10½%
Williams & Glyn's	10 %
Wintrust Secs. Ltd.	10 %
Yorkshire Bank	10 %

■ Members of the Accepting Houses Committee.
* 7-day deposits 6.75%. 1 month 7.50%. Fixed rate 12 months £2,500 7.5% £10,000, 12 months 8.00%.
† 7-day deposits on sums of under £10,000 6¾%, £10,000 up to £50,000 7¼%, £50,000 and over 8½%.
‡ Call deposits £1,000 and over 6¾%.
‖ 21-day deposits over £1,000 7¾%.
§ Demand deposits 6¾%.
¶ Mortgage base rate.

EUROPEAN NEWS

Carrington plan to counter U.S. criticisms

BY BRIDGET BLOOM, DEFENCE CORRESPONDENT, IN BRUSSELS

NATO IS making another effort to meet U.S. congressional criticisms that Europe is not pulling its full weight within the alliance.

Lord Carrington, Nato's Secretary-General, hopes that defence ministers will approve in two weeks' time a package of measures designed to improve the alliance's ability to sustain a conventional war in Europe. The package, which will apparently involve re-allocation of resources rather than increasing defence budgets, will be aimed at improving war reserve stocks, strengthening airfields, hardening aircraft shelters against nuclear attack, and other so-called infrastructure programmes which account for less than 1 per cent of overall Nato defence spending.

The package is a specific response to criticism from the U.S. Congress spearheaded by Senator Sam Nunn. Last June Mr Nunn tabled an amendment containing a detailed plan for the progressive withdrawal of U.S. troops from Europe unless Nato member governments there undertook to improve the infrastructure which would facilitate reinforcement by the U.S. in wartime. The amendment was not passed but many believe it could be revived next spring depending on progress made now.

In the past few months, Lord Carrington has been conducting a delicate political exercise to persuade ministers to adopt an enhanced infrastructure programme. He has done so against a background of resentment about what many politicians and officials on this side of the Atlantic believe is congressional interference in European sovereign matters — although Nato as a whole has long recognised the necessity for many of the improvements for which Mr Nunn is calling.

Though the infrastructure budget is very small in comparison with Nato's overall spending on defence, it has proved one of the most contentious issues on the alliance agenda. Last May, defence ministers meeting here failed to agree on the size of the next six-year infrastructure programme, with the U.S. demanding total spending of some £7bn and West Germany leading those who want to keep it well below £4bn.

According to officials here, Lord Carrington's compromise could involve ministers agreeing next month to a total of between £5bn and £6bn, with a shift in resources towards those areas singled out by Mr Nunn.

Mr Nunn's initial aim seems to have been to improve facilities designed to receive U.S. reinforcements in time of war. This would apparently involve more than 40 of Nato's 230 main military airfields, where hardened shelters would be built for upwards of 60 squadrons of some 24 aircraft each.

It would also mean European countries increasing their ability to sustain a conventional war once it had started, notably by boosting war reserve stocks of ammunition and other equipment to an average of 30 fighting days. Britain apparently meets that criterion in most areas, but several European countries have no more than 10 days' supply.

Nato row could prompt Danish election

BY HILARY BARNES IN COPENHAGEN

Mr Poul Schluter: series of defeats

DENMARK'S MINORITY non-Socialist coalition Government is moving towards a showdown with the Socialist opposition parties over the country's relationship with Nato amid speculation that the issue could lead to an early general election.

Parties representing a majority in the Folketing (Parliament) yesterday instructed the Government to abstain in a vote in the United Nations Disarmament Committee on a resolution by East Germany, Hungary and Cuba renouncing the first use of nuclear weapons.

But the Government decided to ignore the instruction and told the Danish delegate to vote against the resolution, which Mr Uffe Ellemann-Jensen, the Foreign Minister, described as propaganda designed solely to embarrass Nato.

The action will produce a confrontation between the Government (consisting of Conservatives, Liberals, Centre Democrats and Christians) and the opposition in a parliamentary debate on foreign policy on December 7.

Mr Poul Schluter, the Prime Minister, declined to say whether he would call an election if the Government finds itself in a minority after the debate, but he told a meeting of the International Chamber of Commerce here on Monday night that "we are nearing the point of decision." He added, however, that he would only call an election over the Nato issue if he felt sure he could win.

The Government has suffered a series of defeats on foreign and defence policy over the past two years, when the Social Democratic Party has been able to win majorities for resolutions calling on the Government to "work actively" to keep Denmark free of nuclear weapons in time of war as well as peace, and towards the establishment of a Nordic nuclear-free zone guaranteed by the superpowers.

The potential conflict between these resolutions and Nato's policy of flexible response has created a widespread impression in other Nato countries that Denmark is retreating into semi-neutralism, although the Social Democrats deny this is their intention.

Norwegian ex-Premier Bratteli dies

OSLO — The former Norwegian Prime Minister, Mr Trygve Bratteli, who survived Nazi concentration camps and supervised Norway's development of North Sea oil, died yesterday in hospital aged 74.

Mr Bratteli was elected to Parliament in 1950, became party leader in 1965 and formed his first government in 1971. He resigned the next year after Norwegians rejected membership of the EEC in a referendum.

He became Prime Minister again after the 1973 election, resigning in 1976 for personal reasons.

Born in 1910, Mr Bratteli received little formal education and worked on whaling ships in the Antarctic in his youth.
Reuter

EEC increases overseas aid

BY QUENTIN PEEL IN BRUSSELS

EEC MEMBER states yesterday found an extra Ecu 500m ($375m) aid to developing countries in the next Lomé Convention thanks to the unwitting contributions of Spain and Portugal, and extra cash from Italy.

The new total of Ecu 7.5bn in the five-year programme of the European Development Fund, includes Ecu 100m to be devoted to the needs of overseas territories and dependancies – including the Falkland Islands.

However, EEC foreign ministers only reached agreement on the new figure by assuming that Spain and Portugal will pay their share after they join the Community in 1986 – although they have not yet agreed on any such contribution. In addition, they accepted an offer by Italy to increase its payments by Ecu 150m.

The ministers had been unable to agree on how to increase their original offer of Ecu 7bn which was rejected by the African, Caribbean and Pacific (ACP) states in the convention as inadequate.

Both Britain and West Germany had refused to increase their contributions.

The money now expected from Spain and Portugal will amount to 7.7 per cent of the new package – some Ecu 560m of which a considerable amount will go towards adjusting the contribution of Belgium, Denmark and the Netherlands. The estimated balance of Ecu 250m would increase the overall aid package.

The new deal which should provide just enough extra cash for the new Lomé Convention to be signed on December 8 includes the possibility of increasing contributions from the Ten if the Spanish and Portuguese money comes to less than expected

That could mean increased British and West German contributions although both states are adamant that in any other event they will not raise their payments. West Germany will be the largest net contributor paying Ecu 1.95bn or 26 per cent of the total, while Britain will be the third largest after France with a contribution of Ecu 1.24bn

The agreement to insert the extra money from Spain and Portugal was the only agreement the ministers reached on the enlargement question

Surge in imports puts Paris trade balance in deficit

By David Marsh in Paris

THE FRENCH trade balance returned to deficit last month following a sharp rise in imports, the Foreign Trade and Industry Ministry reported yesterday.

After two consecutive months of surplus, France had a trade deficit of FFr 3.4bn ($370.3m) in October according to seasonally adjusted figures. In September, the country had a small trade surplus of FFr 477m after a surplus of FFr 3.5bn in August.

The latest figures bring the cumulative trade deficit this year to FFr 22.4bn compared with a deficit of FFr 41.6bn for the first ten months of last year.

OVERSEAS NEWS

Abu Dhabi moves to lift oil output

BY RICHARD JOHNS IN LONDON AND ANGELA DIXON IN ABU DHABI

ABU DHABI has agreed with equity shareholders in its main oil producing operations on an easing of tax terms to encourage them to maximise oil liftings.

Oil companies involved, particularly Shell, have responded rapidly to the incentive by raising output, according to traders.

Far more dangerous to the Organisation of Petroleum Exporting Countries' efforts to restrain production, however, has been the surge in Iranian oil exports which has raised its output to above its new quota of 2.3m barrels a day.

One industry estimates put the Opec rate so far in November at 16.3m b/d compared with the ceiling of 16m b/d set by last month's Opec ministerial conference in Geneva.

Yesterday, oil industry executives confirmed reports by the latest edition of the Middle East Economic Survey that the per barrel margin enjoyed by the companies operating in Abu Dhabi would be raised from $1 per barrel to $1.80 provided that the companies concerned lifted their full entitlements.

Improved terms for the companies collectively holding a 40 per cent stake in its main on-shore and off-shore fields are aimed at boosting output to maximum levels permitted by Abu Dhabi which accounts for the bulk of the United Arab Emirates' production and capacity.

Nevertheless, it may be regarded by purists within Opec as an erosion of the association's price structure.

The extra incentive could also lead to the UAE exceeding its quota under Opec's production programme which was revised downwards last month from 1.1m barrels a day to 950,000 b/d.

British Petroleum, Shell, Compagnie Francaise des Petroles, Mobil, Exxon and Partex are the shareholders in the main on-shore operation known as ADCO-OPCO which has a maximum permitted production of 500,000 b/d. BP, CFP and the Japanese Oil Development Company consortium account for the 40 per cent stake in the ADMA-OPCO off-shore operation which is permitted 210,000 b/d.

Liftings by the companies had slumped because of excessive differentials in present market conditions for the Murban on-shore crude and the Umm Shaif off-shore variety, with official selling prices of $29.56 and $29.36 per barrel respectively compared with the Opec reference of $29 for Arabian Light.

Saudi Arabia, meanwhile, has informed all its customers that they will receive the same export package involving an increase in the proportion of Arabian Heavy crude—from 20 per cent to 35 per cent—as Exxon, Socal, Texaco and Mobil.

Hammer organises Israeli oil exploration

BY DAVID LENNON IN TEL AVIV

THE ANNOUNCEMENT by Mr Armand Hammer, head of the Occidental Petroleum Corporation (OPC), that he is organising a syndicate to search for oil in Israel has given a major boost to the country's flagging hopes of finding oil in commercially significant quantities.

Mr Moshe Shahal, the Minister of Energy, said yesterday that he welcomed Mr Hammer's decision. "I assume that other investors of the same calibre as Mr Hammer are likely to follow in his wake," he said.

Mr Hammer told a dinner in Los Angeles that he will put up $1m (£833,000) of his own money to start off the syndicate. "I believe there is oil in Israel, but the country is under-explored," he was quoted as saying.

The octogenarian oilman pointed out that only some 350 exploratory wells had been drilled in Israel since the founding of the state, compared to 5,000 sunk in the U.S. last year alone. Mr Hammer intends to visit Israel in January, to get the project under way.

Mr Shahal cautioned yesterday that this project was still in the development stage. He said he will be even happier when he sees "Signed agreements, the promised investment funds deposited in an Israeli bank and a working programme for the oil search."

His caution is understandable, given that the investment of $265m, mostly by the state, in the search for oil since 1975-76 has failed to produce a single commercial well.

Israel did discover oil in the Gulf of Suez during the 1970s, but that territory which had been captured from Egypt in 1967 has since been returned under the terms of the peace agreement between the two countries.

Israel bars Palestinians from PNC meeting

By Our Tel Aviv Correspondent

ISRAEL HAS refused to allow any of the Palestinians from the West Bank and Gaza Strip who are members of the Palestine National Council to attend this week's PNC meeting which is being convened in the Jordanian capital, Aman, by Mr Yasser Arafat, the Palestine Liberation Organisation chairman.

However, this has not lessened the interest in the meeting on the West Bank where the majority of the population appears to favour convening the PNC despite the opposition of the anti-Arafat forces.

Mr Elias Freij, the Mayor of Bethlehem, who supports Mr Arafat's decision to convene the PNC, called on the participants to "take decisions that meet the reality of 1984."

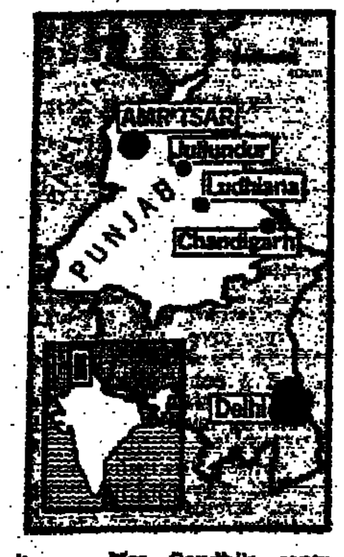
However, opponents like Mr Bassem Shaaka, the deposed Mayor of Nablus, warn that the meeting will increase the divisions among the Palestinian people.

A senior Israeli official in Jerusalem yesterday said that Israel welcomes "the inevitable split" in the PLO.

"We don't consider the PLO as representative of Palestinian people."

A fearful calm over Punjab

K. K. Sharma visits the homeland of India's Sikhs three weeks after Mrs Gandhi's assassination



THREE WEEKS after the assassination of Indian Prime Minister Mrs Gandhi by two of her Sikh security guards, fear remains rife in the Punjab: "We are on the brink of civil war," declares Khrishna Kant, a Hindu and Janata Party leader who once represented the state's capital. Yet life in the strife-torn homeland of India's Sikhs now seems to go on normally—at least on the surface.

Closed for nearly a fortnight after Mrs Gandhi was assassinated and widespread violence against the Sikhs erupted in Delhi and north Indian states, schools in Punjab have reopened. Shops do a brisk trade, there are the usual queues outside cinema halls and the roads are humming with traffic.

Everybody agrees that the peace in Punjab is due to quick and timely preventive action by the authorities. Heavily-armed security forces kept a round-the-clock vigil in the first few days, a night curfew was clamped on all towns and thousands of potential trouble makers were rounded up and detained. The show of force remains the main deterrent.

The only outward sign of abnormality is the sudden appearance of khaki-uniformed, fully armed, steel-helmeted para military forces in trucks mounted with machine guns. These are driven slowly along crowded streets in the Sikh holy city of Amritsar, the bustling town of Jullundur and even in the capital of Punjab, Chandigarh.

This does not really surprise the Sikhs and Hindus of Punjab to whom acts of terrorism and armed reprisals have been common place for nearly three years, as an increasingly militant Sikh minority battled with the Indian security forces in pursuit of an independent homeland. Indeed, the show of force, the heavy patrolling and the pickets at key road crossings, are welcome signs of a government that is actually functioning.

That authority is being mon place for nearly three asserted effectively is borne out by the fact that it was Punjab alone, where 52 per cent of the 30m population is made up of Sikhs, that remained free of sectarian strife following Mrs Gandhi's assassination in which an estimated 2,000 Sikhs were slaughtered by Hindus across north India.

However there is hardly anyone in Punjab who is not deeply afraid that the violence may again break the uneasy lull

A senior Sikh official who is manning the crisis management team that is keeping a 24 hour vigil on the situation in Punjab and maintaining close links with security forces throughout the state shakes his head ominously: "Sikhs are coming in from as far as Bokaro (in Bihar where the carnage was particularly severe) and the worst affected parts of Delhi. They bring with them tales of horror and of atrocities committed by Hindus."

As the victims of the violence flow steadily into Amritsar, the Sikh holy city and other Punjab towns, resentment among many Sikhs appears to be growing. "Who knows how it will express itself. All we can do is to keep a vigil and pray that better senses prevail," says the official.

Balwant Singh, former finance minister of Punjab and one of the few ranking leaders of the Sikh Akali Party at liberty, says: "What happened in Delhi set us back 300 years, the Sikhs have been humiliated."

It is now widely accepted that it was Mrs Gandhi's controversial decision—deeply resented in the Punjab—to send troops into the Golden Temple in Amritsar (the Sikh's holiest shrine, that led to her assassination.

Many Sikhs actually celebrated the assassination of Mrs Gandhi by dancing in the streets and distributing sweets and this was potentially inflammatory. But they did not express their anger on Hindu Punjabis when Sikhs were butchered and their homes pillaged in Delhi. This welcome development still puzzles officials and the people alike. "Possibly a collective guilt feeling overcame the Sikhs," said a Hindu leader.

As the days pass, Punjab seemingly becomes more secure. Increasingly, Sikhs and Hindus are beginning to recall that their religions are close to each other and just three years ago the two communities lived like brothers, spoke the same Punjabi language and shared the same customs. The more optimistic pray that the communal bloodletting may now be over.

"Hindus and Sikhs are intimate and closely knitted. Hundreds of thousands of families are related by marriage. How can they kill each other except when madness grips them. We have seen too much of violence for three years. All Punjabis want peace," says a senior member of the Hindu nationalist Bharatiya Janata party.

Sooner or later, the authorities will have to relax the harsh measures now in force in Punjab. A beginning has already been made. Even tough officials are aware that they lack the forces to control the situation should widespread violence break out. They do not rule this out and shudder at the prospect. But with each day of peace, hopes strengthen that violence will not recur and that Punjab will set a much-needed example in communal harmony.

Plan to float New Zealand dollar rejected

By Dai Hayward in Wellington

THE NEW ZEALAND Government has rejected a recommendation from Mr Trevor de Clene, the Associate Finance Minister, to float the New Zealand dollar.

However, there is now speculation among bankers that the recent upward pressure on the currency, which was devalued by 20 per cent in July, will persuade the Government to float the dollar by late-December or early in the New Year.

Overseas funds have been flowing into New Zealand over the past few weeks, and the success of the government stock tender last week was another indication of the increasing strength of the dollar. The Government sought NZ$400m (£157m). It was offered almost NZ$1.3bn.

Before taking action, the Government wants to assess the effects of the current wage-bargaining round, which began yesterday. The Government offered a 4 per cent wage increase, but this was angrily rejected by both the private and public sector trade unions. Militants are talking in terms of a 10-20 per cent increase.

By waiting until the New Year, the Government will also have had the benefit of receiving most of the country's export payments at devaluation levels, and will have the Christmas shopping spree behind it.

Two Koreas in bid to reunite families

By Steven B. Butler in Seoul

SOUTH AND North Korea have agreed to hold negotiations on reuniting families divided by the Korean war.

They have decided that 34 representatives from the North Korean Red Cross, accompanied by 50 North Korean journalists, will visit Seoul in the near future to resume Red Cross talks that broke off 11 years ago in Pyongyang.

It will be the first time in as many years that Koreans will have travelled openly across the heavily fortified border between the two Koreas.

Marcos 'health good'

Breaking the official silence on speculations over Philippine President Ferdinand Marcos' health, the presidential palace yesterday issued a statement attributed to the President, saying: "The report of my death is an exaggeration. I am in good health and I am fully discharging the duties and responsibilities [our people] have generously reposed in me," writes Emilia Tazaza in Manila.

Reports that Mr Marcos is seriously ill and the Government's own silence have thrown Filipinos into general confusion during the last few days.

South Africa and Angola step up negotiations

BY ANTHONY ROBINSON IN JOHANNESBURG

THE FINAL withdrawal of South African troops from southern Angola, linked to hopes for a settlement in Namibia (South West Africa), came a step closer yesterday.

The Foreign Ministers of Angola and South Africa are to meet "as soon as possible" to negotiate a completion of the withdrawal and discuss future co-operation on the Ruacana - Calueque hydro-electric and irrigation scheme in the Angloa-Namibia border area.

Agreement on a bilateral meeting at ministerial level was reached during a one-day session of the military joint monitoring commission on Monday at N'Giva, some 50 kilometers north of the Angola-Namibian border.

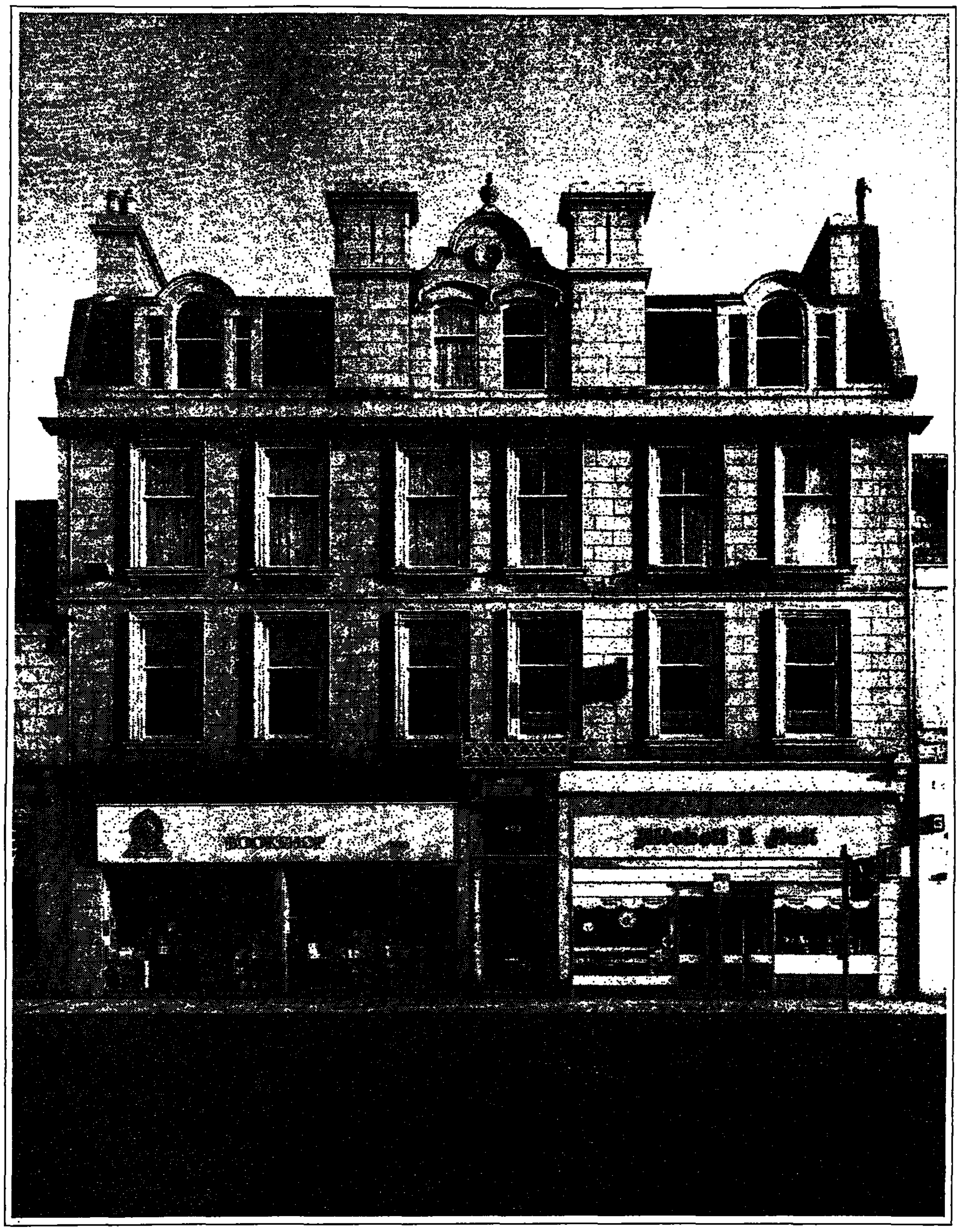
The commission was set up last February under the terms of the Lusaka agreement which called for the withdrawal of South African troops from the area which they occupied during a lightning strike at the end of last year. But South African forces halted their withdrawal at N'Giva because of fears that guerrilla forces of the South West Africa Peoples' Organisation (Swapo) would have moved into the vacuum.

The planned bilateral meeting could also provide a basis for direct talks on the wider issue of a phased withdrawal of Cuban forces from Angola linked to independence for Namibia under terms of UN Resolution 435. The Angolan offer of a phased Cuban withdrawal was discussed in Pretoria last week with Mr Chester Crocker, U.S. Assistant Secretary of State.

● Highly placed Cuban sources have said the Government is ready to sign an agreement for withdrawal of Cuban troops from Angola, Reuter reports from Havana.

The pact would be based on proposals already made by Angolan President Eduardo dos Santos.

IT SEEMED AS GOOD A PLACE AS ANY TO START LOOKING FOR NORTH SEA OIL.



1 9 6 5

A routine press conference in London, and an off-the-cuff remark by Shell UK's top geologist. Within minutes his comments are on every Editor's desk in Fleet Street, and by morning, being repeated the length and breadth of the country. While the sceptics scoff, the politicians pray. If what has been hinted at is indeed true, it will alter the economic and political fortunes of Britain for decades to come. Out in the North Sea, it is reported, Shell expects to strike oil.

1 9 6 6

The financial markets of London buzz with anticipation following Shell's discreet announcement of 'a significant gas discovery' 32 miles off the coast of East Anglia. Within two years Shell and other companies are bringing North Sea gas ashore, and with it a dramatic revival for the British gas industry. Plans are made for completely converting the National Grid to natural gas.

1 9 6 7

Armed with the latest seismic data, two geologists from Shell set up a small office in a tiny flat, over a bookshop, in the centre of Aberdeen. It seems as good a place as any from which to tackle their awesome task. They have been instructed to begin exploration of the vast and hostile waters of the northern parts of the North Sea.

1 9 7 1

At the northernmost offshore well yet drilled in the world, a veil of secrecy descends over Shell's activities. Communications with the mainland are suddenly coded through 'scrambler' phones. Information is rushed to Shell's scientists for prompt analysis. Until, as abruptly as they began, the exploration team cease all activity, seal the well, and are clearly seen making off for entirely new locations. A simple manoeuvre to ensure that nobody will guess what they have found.

1 9 7 2

Shell proudly announces the discovery of what will prove to be a giant oil and gas find for Britain, the Brent Field.

1 9 7 4

The latest analysis of the Brent Field shows that the possible reserves of oil and natural gas liquids are double the original estimate. With Britain's oil deficit still around £3.8 billion, the news is welcome indeed.

1 9 7 6

The very high ratio of gas and gas liquids to oil being produced at Brent leads to a daring new scheme. A pipeline 278 miles long is to be laid on the seabed, to bring ashore the gas and gas liquids for separation. It will be the longest, and deepest, offshore pipeline ever built and is yet another challenge for British industry. Much of the technology required for North Sea development must be capable of operating in waves of up to 100 feet high, and in gusts of wind up to 100 miles per hour. In this instance, underwater cameras, side-scan sonars and computer systems are needed that will operate 600 feet beneath the sea.

1 9 7 8

The scheme is a success. Now it will be possible to bring the gas and gas liquids ashore for further use. The gas will be extracted and fed into the National Grid.

It would be possible to split the remainder into ethane, butane, propane and natural gasoline — important resources for industry. To do so, a highly advanced plant, costing many millions of pounds, will have to be specially built.

1 9 8 0

Work begins on the £400 million Gas Liquids Plant being built by Shell at Mossmorran, and on the 138 mile pipeline that will feed it. Soon Mossmorran will be the largest construction site in Europe.

1 9 8 2

Oil production from Brent approaches 310,000 barrels per day. This vast quantity helps transform Britain's oil deficit of yesteryear into a surplus of around £4.4 billion.

1 9 8 4

A VIP gathering to witness the opening of the new Mossmorran plant. Distinguished speakers touch on one or two environmental aspects of the plant, such as how it has been built tucked into the contours of the land so as to be as unobtrusive as possible. Also mentioned are the industrial aspects, such as how the hydrocarbons being produced will ultimately be used in the manufacturing of a thousand and one household items, from lipsticks to records.

But above all, it is noted that the opening of Mossmorran marks the culmination of the twenty years in which Shell, and the countless number of smaller British companies that have worked for her, have invested thousands of millions of pounds and great skill and ingenuity in the North Sea.

With excitement, we all look forward to the next twenty years.

YOU CAN BE SURE OF SHELL

Maurice Samuelson assesses the safety implications of the LPG disaster in Mexico City

Blasts demonstrate dangers of high-risk plants

"ONE DAY, the effects of an LPG fire will be shown on the front pages instead of a down page item on the inside," said a report published last year by the British Safety Council.

The prophecy was fulfilled following Monday's series of explosions at Mexico City's main gas distribution centre which killed at least 300 people and injured more than 2,000.

It was a chilling reminder of the lethal hazards involved in storage and handling of large quantities of dangerous materials, especially when this is done close to densely populated districts.

The death toll is believed to be the highest recorded in any disaster involving petro-chemicals.

It is certainly the worst caused by liquefied petroleum gas. Previously the worst accident caused by a related material—propylene—was in 1978 when a gas tanker crashed near to a Spanish holiday camp, killing more than 150 people.

Britain's worst accident, not involving a fuel gas, was the destruction of the Flixborough chemical plant, owned by Nypro (UK), in 1974, in which 28 people were killed.

Otherwise, large scale accidents caused by various gases have been mercifully few and far between:

- 44 killed in 1944 in Cleveland, Ohio;
- 207 killed in 1948 in Germany;
- 23 dead in 1959 at Meldrim, Georgia;
- 21 killed in 1965 at Natchitoches, Louisiana;
- 14 dead in 1975 at Beek refinery, Holland.
- Around 80 dead in 1984 near Sao Paulo, Brazil.

In February this year in Brazil, an LPG pipeline exploded, outside a refinery in Cubatacan industrial area near Sao Paulo. It is thought at least 80 people died, but the exact number of casualties was never determined, because the explosion and subsequent fire, swept through populous slum dwelling in the vicinity.

An investigation determined that human error was responsible. Valves at one end of the pipeline were mistakenly closed, causing pressure to build up and eventually create a six-feet long rupture, in the pipe. The pipeline belonged to Petrobras, Brazil's state oil company.

LPG, an automatic byproduct of oil refining, is particularly dangerous because as well as being highly inflammable it is also very explosive and invisible.

A leakage of LPG produces large volumes of highly flammable gas which, being heavier than air, will flow along the ground or into drains until ignited by a spark or some other cause.

One of thousands rescued from the disaster area.

There have been no major disasters in the UK caused by LPG. However, the British Safety Council, an independent lobbying body, says it fears this has been partly because of luck and that it is "only a matter of time" before one occurs.

The Government's Health and Safety Executive agrees that "nil risk can never be achieved" but believes that such dire predictions overlook the safety standards laid down for potential disaster sites in the UK and in the EEC.

These standards have been tightened considerably in the light of the Flixborough explosion in England and the poison gas incident at Seveso in Italy in 1976 which caused more than £50m worth of damage.

In Britain, the Flixborough blast led to a statutory system whereby companies installing and handling hazardous substances were forced to notify their activities to the Health and Safety Executive.

Such plants are now vetted more closely by Government safety inspectors and the information which the operators provide is made available to local authorities for the purpose of planning housing, schools and other buildings in the vicinity of the potential danger zone.

As a result of the Seveso incident, where a lethal cloud of poisonous gas escaped into the atmosphere, the European Commission issued a directive, known as Cimah—Control of Industrial Major Accident Hazard regulations—which is due to be incorporated into UK legislation at the beginning of next year.

This will oblige operators of more than 250 large scale potentially dangerous plants in the UK to demonstrate what measures they have taken to prevent accidents and control and minimise those which could occur. In particular these plants will have to carry out detailed analyses of hazards and to present the results to the Health and Safety Executive.

The level of safety standards being applied to LPG are vividly demonstrated at the £353m terminal opened last week at Mossmorran, Scotland, to handle gas liquids from the North Sea.

The standards adopted by Shell Expro, the operator, are designed to satisfy not only Government regulations but also the anxieties of the surrounding communities.

"Safety has been built in," says Mr Malcolm William, the plant manager. He was referring not just to the plant itself but to the 138 mile long pipeline which brings the liquids from the coast and the movement of gas carrying ships in and out of the nearby Braefoot Bay terminal.

International safety standards have also been incorporated in the huge network of storage plants for liquefied North Sea gas, built by the British Gas Corporation over the past 20 years.

Despite the nightmare fears originally aroused by the first ships which imported liquid gas to Britain from the U.S. and Algeria, the Corporation has had a 100 per cent safety record in handling this potentially devastating material.

For the Corporation, and most worldwide operators of high risk plants, this week's Mexican tragedy will be a lesson, but need not be a precedent, if they maintain their past record.

Pemex disclaims responsibility for gas explosions

BY DAVID GARDNER IN MEXICO CITY

PEMEX, the Mexican State oil monopoly, has said it was not responsible for Monday morning's massive gas plant explosions in Mexico City, which by early yesterday had claimed at least 300 lives and injured over 2,000.

In the only official statement on the disaster the company has made so far, Pemex said the fire—which set off the chain of explosions—originated outside its installations, and that its liquid petroleum gas pipeline into the San Juan Ixhuatepec distribution centre continued pumping normally until 6.40 am.

Since the first blasts occurred one hour earlier, the statement contradicts one of the three hypotheses on the cause of the accident: that gas from a leaking Pemex pipeline had ignited.

A Pemex official yesterday favoured the first hypothesis, that a gas tanker, used for distributing gas around the city, had exploded. The third possibility being examined was of a leaking pipe in the Unigas plant in San Juan.

Unigas is one of three private gas distributors in the San Juan Ixhuatepec centre which operate under a state concession and are supplied by Pemex, whose own installations adjoin them.

Pemex technicians were still investigating the causes of the blast yesterday, but there was no indication from the Government that an independent inquiry would be set up.

Sr Mario Ramon Beteta, Pemex chairman, said on Monday night that Pemex and its personnel were also victims of the disaster and they themselves might take legal action against whoever was found to be responsible.

The longer term question of whether such volatile installations should be sited in urban areas has not yet been raised. San Juan Ixhuatepec is supplied by refineries 60 kilometres north of the capital and on the Gulf coasts, but it is connected to the Azcapotzalco refinery in the north west of Mexico City.

This plant, which supplies 60 per cent of Mexico's refined products, was built in the 1930s and was initially well outside the capital. However, the breakneck expansion of Mexico City plus the rapid development of the country's oil industry has made this only one of 75 gas and refined products installations sited in the urban sprawl north of the city.

One bitter irony of yesterday's disaster was that it happened exactly 200 years after a similar catastrophe.

Brazil 'will not need new money for three years'

BY ANDREW WHITLEY IN RIO DE JANEIRO

BRAZIL will be able to manage "for the next three or four years" without new money from its commercial bank creditors, according to Sr Ernane Galveas, Finance Minister.

Releasing forecasts for the Brazilian economy for next year, the Minister said on Monday night that the current account balance of payments deficit would rise to \$2.8bn (£2.24bn) from just under \$1bn this year, while the trade surplus would be \$12.2bn compared with previous forecasts of \$10bn.

The projections, which also include real economic growth of 4.8 per cent for next year, were well received when they were presented to leading creditor banks at preliminary rescheduling talks in New York last week, he said.

But the negotiations, now provisionally expected to resume on December 10, are not likely to get seriously underway until Brazil has completed a new round of talks with the International Monetary Fund which began in Brasilia yesterday.

Bankers here say it looks almost certain that the Figueiredo Government will not achieve its goal of a multi-year rescheduling agreement, extending to 1990 or 1991. More likely is a firm agreement on rolling over bank debt maturing in 1985 and an outline agreement in principal covering the following year.

Complicating the discussions is the fact that the Figueiredo Government has less than four months to serve.

Mr Thomas Reichmann, head of the IMF's Atlantic Division, who is leading the IMF mission, said in Rio de Janeiro on Monday that the Brazilian external adjustment programme had been "a success." He neverthe less indicated that the Fund remains concerned about Brazil's high level of inflation and public indebtedness.

Quebec softens stand on sovereignty

By Bernard Simon in Toronto

A SUDDEN decision by Quebec's ruling Parti Quebeco ʾ to play down the issue of provincial sovereignty in forthcoming elections has underscored a growing move to bring Quebec back into the mainstream of the Canadian federal system.

Mr Rene Levesque, Quebec's Premier, who has fought for "sovereignty-association" since the PQ came to power in 1976, *said:* "*We must resign* ourselves, at least for the next election, to the fact that sovereignty must not be at stake (as an election issue), either in totality, or in parts more or less disguised."

As recently as last June, the PQ pledged to make sovereignty a central issue of the provincial election, which is likely to be held sometime next year. But after several weeks of internal wrangling and faced with sagging popularity in opinion polls, the party as decided instead to stress economic issues in the campaign.

The decision comes amid clear signs of a rapprochment between the PQ and the Federal Government in Ottawa following the Progressive Conservative Party's landslide win in last September's federal electio ι

Quebec's separatist movement has had strained relations with Ottawa for almost two decades. Tensions came to a head in 1980 when a 60 per cent majority of Quebec voters rejected sovereignty in a referendum.

U.S. securities business open to small banks

By William Hall in New York

THE ONCE strict divisions separating the commercial banking industry and the U.S. securities business have become yet more blurred following a decision by the Federal Deposit Insurance Corporation (FDIC) to allow smaller U.S. banks to enter the securities business.

In a move which is being seen as a further challenge to the U.S. Congress which has failed to implement new banking legislation, the FDIC has adopted regulations permitting about 9,300 state chartered banks, which are not members of the Federal Reserve systems to underwrite corporate securities in units separate from the parent bank.

Ever since the passing of the Glass-Steagal Act in 1933, U.S. banks have been forbidden from entering the securities business. The new regulations do not cover the major money centre banks, which are members of the Federal Reserve but they are regarded as a direct challenge to the spirit of the law separating commercial banks and securities companies.

The FDIC says it took the action because there is a loophole in the legislation. Although the Glass-Steagall Act prohibits its national banks and member banks of the Federal Reserve system from entering the securities business, it says nothing about state chartered non-member banks.

Michael Donne on the implications of President Reagan's move to end a probe into the Laker affair

Why U.S. anti-trust laws sour civil aviation relations

WHILE HOPES have been raised for an early solution to the current Anglo-U.S. dispute over cheap transatlantic air fares this winter, by President Reagan's decision to halt the Justice Department's grand jury investigation into Laker Airways' anti-trust allegations, the U.S. move has far wider implications.

Aviation lawyers are careful to stress that all President Reagan has done is to stop just one particularly vexatious anti-trust investigation into possibly criminal wrongdoing that had threatened further to sour deteriorating Anglo-U.S. civil aviation relations.

He has not—and cannot under U.S. law—call a halt to the right of the Justice Department to scrutinise the actions of airlines for possible anti-trust violations, nor can he prevent individuals from pursuing their individual anti-trust complaints.

As a result, while the threat of criminal proceedings in the U.S. for alleged anti-trust violations by British Airways and British Caledonian (and several European airlines) has been lifted, the civil damages action brought against those airlines under the anti-trust laws by the UK liquidator of Laker Airways remains active on the file.

To that extent, therefore, part of the threat hanging over British Airways in its run up to privatisation next February has been removed, but another part—the Laker liquidator's civil action—remains, and account will have to be taken of it in the prospectus for the BA shares flotation.

Whether, in the light of the President's action on the grand jury investigation, a speedier and acceptable solution to the liquidator's action will now be found remains to be seen.

Nevertheless, the President's action is being welcomed as an indication that the U.S. is not unaware of the severe damage to its international relations being caused by its practice of extending its domestic anti-trust laws to cover foreign companies and countries.

U.S. civil aviation relations have been increasingly soured by this situation, especially where the U.S. has signed international bilateral air agreements with other countries and yet has still imposed its anti-trust laws on the other signatories.

It has been the UK Government's clear opinion throughout the entire Laker Airways affair, that the fares implemented by British Airways and British Caledonian in 1981-82 were approved by the two governments under the Bermuda Two air agreement (signed in 1977), and that it was not legally possible for Laker Airways to claim those fares were predatory or part of a conspiracy to drive it out of business.

The U.S. Government, and especially the Justice Department, has consistently declined to accept that view, and all the long discussions in Washington and London by officials of the two governments have failed to resolve the impasse.

The most recent Anglo-U.S. row, over the introduction of cheap transatlantic fares this winter by British Airways and other airlines, is yet another manifestation of this difference of view between the two countries over the interpretation of Bermuda Two, and over the U.S. right to impose its anti-trust laws on foreign airlines.

This situation, until now, has had the makings of almost another Laker affair. UK and U.S. airlines filed for cheap fares from November 1, but the UK Government feared that another low-fare operator, Virgin Atlantic, might file an anti-trust complaint, claiming those fares to be predatory.

To avoid having another anti-trust suit hanging over its head, in the run-up to BA's privatisation, the UK Department of Transport has banned the fares. It refuses to lift the ban, until it wins a declaration from the U.S. Government that, once the fares are approved by both sides, there is no danger of a subsequent anti-trust being filed, or upheld by the Justice Department.

The UK insists that the Bermuda Two air agreement, which covers the cheap transatlantic fares just as much as it covered the fares at the time of the Laker collapse, is superior in effect to the U.S. anti-trust laws, and that the U.S. has no right to extend those laws "extra-territorially," to cover aviation relations with foreign countries.

This, so far, the U.S. has declined to accept.

Now, however, there is some hope that the President's action will ease the situation, and result in smoother negotiations.

Foreign airlines are also watching the situation closely. For several years, the members of the International Air Transport Association flying to and from the U.S. have lived under the threat of severe anti-trust penalties, simply by being members of IATA and agreeing on fares under its aegis.

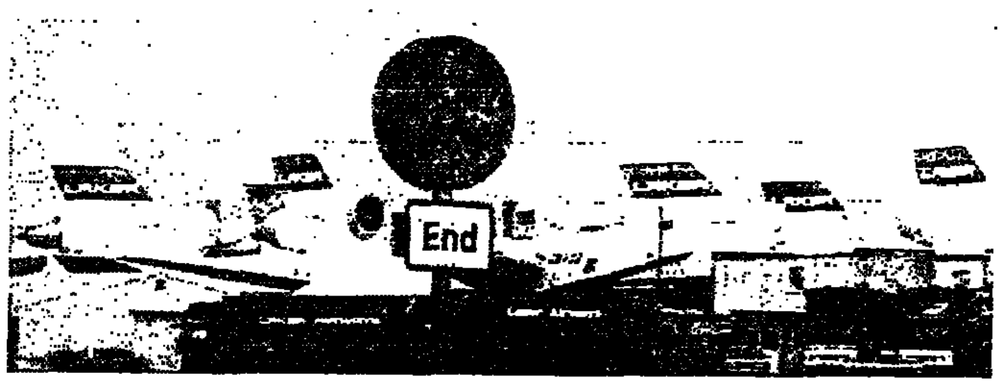
Some years ago, the U.S. Civil Aeronautics Board (CAB) issued its notorious "Show Cause" order, in which the foreign airlines were told that unless they could show reasons to the contrary, they would not be given any anti-trust immunity.

This led to a protracted and bitter battle with the U.S. pitched against many foreign governments, airlines and international bodies such as IATA which were fighting to establish the ascendency of international treaties and associations over the U.S. anti-trust laws.

IATA managed to win a "stay of execution," in that the CAB decided not to pursue the "Show Cause" order for the time being. But that notorious order was not thrown out—it remains a potent threat, that the U.S. Department of Transportation and Justice can implement at any time.

This is why the latest action by President Reagan is so significant. It is argued in the airline industry world-wide that if he can recognise the damage that one major anti-trust action is causing to civil aviation relations with the UK, why cannot he also recognise that the "Show Cause" order is even more damaging, since it affects many airlines in many countries?

What remains to be seen is whether President Reagan's action is just an isolated gesture of friendship to the UK, or an indication of a softening of anti-trust applications generally. Only time will provide the answer.



Laker Airways aircraft at their base at Gatwick Airport after the airline was grounded

How the transatlantic court battle developed

By Raymond Hughes, Law Courts Correspondent

IT IS almost two years to the day since the liquidator of Laker Airways startled the aviation world by filing a $1.1bn anti-trust damages claim against a group of international airlines in a U.S. district court in Washington.

On November 24, 1982, Mr Christopher Morris, of City chartered accountants Touche Ross, sued British Airways, British Caledonian, Pan American, Trans World, Lufthansa, Swissair and two McDonnell Douglas companies.

In essence the allegation was that Laker's Skytrain competitors had conspired to destroy Laker by an agreement fixing "predatory"—ie, loss-making—fares, and by putting pressure on potential participants in a scheme to rescue Laker to withdraw their support.

That, the liquiditor alleged, amounted to a breach of the anti-trust Sherman Act.

The airlines strongly denied the allegation, and have fought the case hard through its preliminary stages—not the least of their worries being their liability under the anti-trust law to pay triple damages if they lost.

It was the availability of triple damages that prompted Mr Morris, concerned to get as much money as possible for Laker's creditors, to initiate the U.S. action—English law being less generous in its provision for damages.

The matter was complicated when the U.S. Justice Department set up a grand jury investigation, based on the same factual material, to see whether there had been any criminal violation of the anti-trust law.

Last May the department announced that it would not initiate criminal proceedings with regard to the alleged conspiracy to wreck the refinancing plan; now, as a result of President Reagan's intervention, it has been forced—much against its will—to drop the rest of the investigation.

The civil action, which was entirely separate and distinct from the grand jury proceedings, rapidly became a cause of friction between the courts of the two countries, as BA and BCal attempted to persuade the English courts that Mr Morris had no right to involve them in the U.S. case but should bring any claim in England.

The airlines lost in the High Court in May last year, but succeeded in obtaining from the Court of Appeal two months later a ruling that the U.S. action must be discontinued as against them.

The Master of the Rolls, Sir John Donaldson, ruled that it would be "a total denial of justice" to allow the case to go ahead against the UK airlines as a result of the Government's invoking of the 1980 Protection of Trading Interests Act in July, 1983.

The government had directed the airlines not to provide the U.S. courts with documents and not to comply with any anti-trust judgment.

U.S. Judge Harold H. Greene, who had previously fulminated against the involvement of the English courts in a matter he regarded as solely within his court's province, characterised the Appeal Court's decision as "premature . . . and improper."

It was left to the House of Lords to pour oil on troubled waters, which they did last July.

Allowing the liquidator's appeal, Lord Scarman said that the English courts had no role to play in the Laker dispute—"important though it may be to the economic interests of the UK."

Lord Diplock said that BA and BCal had voluntarily submitted themselves to a regime — transatlantic aviation arrangements—which made them subject to U.S. law.

India seeks foreign investment in computers

By John Elliott in New Delhi

IMPORT DUTIES and industrial licensing controls have been relaxed for a wide range of computers by the Indian Government which wants to bring its computer manufacturing industry up to international standards of price and quality by 1990.

The aim is to raise the production level of mini- and micro-computers from 1,000 a year to 100,000 by 1990

"We need $800m of investment in electronics components generally by 1990, and we want to encourage foreign equity participation in this area. We also want large Indian companies to come in," Mr Vijayakar, permanent secretary of the Electronics Department said yesterday.

India wants to expand its electronics production from $1.3bn a year to $10bn by the end of its next five-year plan for 1985-90.

The relaxation of controls has been under way for some time.

The new policy says that any Indian company (including those with up to 40 per cent foreign equity) can start unlimited manufacturing of finished products. Import tariffs will range up to 100 per cent instead of 137 per cent or more.

In order to encourage volume production, about six companies will be designated as original equipment manufacturers and be given preferential duties to help them make peripherals. One or two companies will receive similar preference for central processing unit boards.

The Government wants this handful of companies to become major Indian suppliers to hundreds of manufacturers of finished products.

It developed India's television industry in the same way last year. Television demand has gone up from 600,000 sets a year to 2m in the last 12 months.

The new policy also simplifies arrangements for importing super mini and main frame computers which up to now has been under detailed case-by-case control by the Electronics Department.

A list of 12 to 18 foreign computers of types not currently available in India will be drawn up and will be available for automatic import.

In addition, the Government will choose between collaborations offered by Control Data of the U.S. and Bull of France for developing a large- and medium-sized main frame computer.

ICIM, the Indian offshoot of ICL of the UK, tried recently to enter this competition but was told it was too late.

Irish exports increase 27%

By Brendan Keenan in Dublin

IRISH EXPORTS will be worth I£8.8bn (£7.3bn) this year, an increase of 27 per cent over 1983, according to the Irish Export Board (CTT). The volume rise, is put at 17 per cent in the board's annual report.

Almost three-quarters of last year's increase was accounted for by manufactured goods, which increased by 13.6 per cent in volume. The proportion of Irish exports going to the UK once again declined although the value of sales to Britain, was up 15.9 per cent at I£2.5bn which represents 37 per cent of total exports.

Exports to the continental EEC countries, rose 23.2 per cent in value. The board says the good results were due to the modest world recovery.

CTT warns, however, that while world trade growth offered greater potential for exports in the next few years, there will be stronger competition from other countries.

Recently, some economists have suggested that some part of Ireland's remarkable growth in exports, could be due to transfer pricing by multinational companies, which now account for 80 per cent of Irish manufactured exports.

British sales to Brazil make a strong recovery

BY ANDREW WHITLEY IN RIO DE JANEIRO

BRITISH exports to Brazil, the largest market in Latin America for UK goods, are makng a remarkably strong recovery this year after a severe slump in 1981-83.

In the first nine months of this year exports rose by 75 per cent to £185m compared with £106m in the same period of 1983. On an annual basis exports to Brazil appear to have climbed back to the level reached between 1977-80 before Latin America's slump into recession.

However, British officials point out that part of the improvement probably comes from the delivery to Brazil of goods arranged under a Government-to-Government memorandum signed in 1981.

The latest figures from the UK Department of Trade show that the export improvement is not confined to Brazil. Between January and September, British exports improvement is not confined to Brazil. Between January and September, British exports to Latin America as a whole, were up by 37 per cent to £661m.

The UK is still running a substantial trade deficit with Latin America. Brazil alone has been responsible for two-thirds of the £425m deficit recorded so far this year on visible trade, although invisibles helped redress the balance.

Within this picture were some quirky results: debt-ridden Bolivia and embattled Nicaragua showed the biggest improvements as markets for British goods, albeit from tiny base lines. Even exports to Cuba rose by 35 per cent to £47m—twice what was sold to Peru or Ecuador.

MANAGEMENT

EDITED BY CHRISTOPHER LORENZ

The employees of Street Crane celebrated completion of the 71st—and final—crane to be delivered to Iraq

How Street Crane has become a thorn in its competitors' sides

BY NICK GARNETT

"IT'S WARFARE out there. The market is absolutely rabid, it really is and there's vicious competition for any business."

Andrew Pimblett might add that one of the reasons why the small world of building travelling overhead cranes has become so cut-throat is the performance of the small company for which he is sales director.

Street Crane employs just 86 at Chapel-en-le-Frith, a small township near Buxton in the Derbyshire hills.

From this rather unlikely setting Street has more than tripled its sale of cranes in the past six years of recession during which the UK market for the standard machines up to 100 tonnes capacity that it makes has been slashed by over a half.

On the back of very low prices, Street's market share has jumped from about 5 per cent in 1979 to almost a quarter, squeezing everyone else and tightening the pressure on bigger-name competitors like Mannesmann Demag, John Smith and Herbert Morris. "I think they've been a thorn in most cranemakers' sides," says one competitor on Street's activities.

Few challenge Street's claim that it is now the UK's biggest supplier of small and medium standard electric overhead travelling cranes or that it is the largest independent crane builder still left in the market.

Crane selling is not a pleasant environment and few companies have many good words for their competitors. The cranemakers' federation itself fell apart two years ago. Some have charged Street Crane, for example, with selling at below cost.

Street, though, sold 294 cranes *last year against 86 in 1979. It* has made a profit in every year except 1981 when it was in the middle of restructuring and ran up a £30,000 pre-tax loss. It has increased sales at home and abroad, including one order of 71 cranes in 1981 for a GEC project in Iraq and has six cranes in or destined for the Falklands. While all this has been going on the market for standard cranes actually ordered in the UK (with some destined for overseas) has slumped from 2,800 in 1979-80 to perhaps 1,100 this year, as the industry's manufacturing base shrivelled and general trade shrank.

Keith Eastwood, Street's chairman and managing director, concedes that the company has had a lot of luck, was small enough to implement changes quickly and has not been burdened by large profit-plundering factory space.

Street also has less direct engineering overheads than, for example, Herbert Morris which employs 530 and which claims to be one of the few British companies engineering and manufacturing a virtually complete crane. Street has traditionally kept away from the very specialised one-off cranes, a further advantage during difficult trading.

Street's management, however, is in no doubt that the recession *would have put it out* of business without the changes in manufacturing philosophy, crane range and in marketing that it has instituted over the past few years. "With the volume of business we had in the 1970s we couldn't have survived," he says.

The company decided at the turn of the decade that its survival lay in volume. It could only achieve that by selling good cranes at a very low price in order to increase sales and drive down manufacturing costs. This required a careful balancing act between cost and output.

Its first key decision was to pull further away from one-off building and introduce a degree of standardisation into sub-components by using standard sets of drawings for such parts as *girders* and *end carriages* (which house the wheels and run along the track).

Using a modular design system by which the required size of beams, for example, could be ascertained quickly given the purchaser's requirements on height, weight to be carried, span and "duty" (class of utilisation), Street has managed to lower assembly costs to a great extent. This will be further improved by a computerised system now being installed.

At the same time Street altered its marketing. Unusually for a crane builder it decided to use a brand name, very bright paintwork and fancy livery.

The result was the Champion range which came onto the market in 1981-82. It advertised the range at 30 per cent less *than any competitor* and sent shockwaves through the opposition.

This aggressive stance has been further underlined this year with Street now offering as standard on all its cranes a range of features normally classed as extras. These include overload cut-out, an "hours-in-service" meter, a hand control unit which can be unplugged and forged wheels.

Some competitors argue that one of Street's advantages has been the use of a hoist made by a Finnish company, Kone. Not only is this a cost-competitive hoist but Kone this year began offering free some of the above electrical features to companies that purchased its hoist. This coincided with Street offering those features as standard.

Pimblett counters this argument by saying that Kone hoists are fitted to only a half of Street's cranes yet Street offers those features as standard on all its cranes.

"We have led the price down to get volume," he says. So much so that the price of Street's cranes is lower in actual, let *alone real, terms* than it was in 1979. This, says the company, has created a new market in the UK among companies which now find it easier on cost terms to justify a crane purchase.

Street's workforce has been cut from a peak of 140 at the end of the 1970s. Pimblett says it could now supply half of the UK market with less than 100 employees.

It is perhaps a mark of how advantageous a relatively large home market is to a crane maker, however, that Abus, the West German crane builder which Street says adopts a similar operating philosophy to its own, employs only a few more people than Street but builds four times as many cranes.

Raymond Miquel: "I want to be number one in the race"

What makes Miquel run?

Bell's Scotch whisky chief explains his management style to Mark Meredith

RAYMOND MIQUEL has become something of a legend in his own lifetime within the Scotch whisky industry. For some his intense and highly visible style of leadership is "a bit over the top"; yet others recognise that under his chairmanship he has driven Arthur Bell and Son to the forefront—and kept it there, with profits rising from £3.6m in 1973 to £31.27m last year.

Miquel first joined Bell as works study engineer in 1956—he moved to Scotland as a boy (his father, despite a Spanish name, was French)—rising to the board as deputy managing director in 1965. But it is not only in the boardroom that his *self-disciplined, lead-from-the-front* style manifests itself. As a committed jogger he is frequently to be seen competing in staff sporting events, running against 20- and 30-year-olds. As he puts it: "I'm 53 and I'll be in the top 19 out of 80."

But his forthright views on management might not be to everybody's taste.

On motivation: "There is not one person in this company who has never seen me, whether in the bottling hall, management, in the middle, or whatever. I am the chairman of the group and everybody in the company knows me. That motivates them, that motivates people to work — the very fact that they have talked to the chairman, and the chairman takes an interest in all of them."

Yet he also *maintains that* some managers "will never speak to me from one seven-week period to another. The only time I speak to them is on the Friday meetings here. I chair it: the rest of the time they're on their own. They cannot phone anybody (for advice), *they cannot lean on anybody*. They have full responsibility."

This approach permeates the whole management structure. Junior managers are not allowed to telephone senior managers for guidance for most of each day in order to encourage *individual responsibility. And* managers' doors are left open to prevent any feelings of exclusivity or secretiveness.

But Miquel's finger is constantly on the pulse: "I know absolutely everything that is going on in the company and where anybody's missed out an opportunity or where they've gone outside company policy. That's what I will be raising at the next meeting."

The management structure can best be described as almost flat: "We did away with pyramids . . . you've got all these top executives, nobody's looking for higher promotion because where do they go? They could all become chairman because that's all they could do."

Though many Scotch whisky markets are in decline Miquel is characteristically bullish. "We're not interested in what people say—if the market is going up or down. We're only *concerned with what Bell's is* doing."

And that is?

"We're still trying to gain markets and market share. And that way you'll attain a market. If you start talking the other way, you'll find an excuse for saying you are down."

Nevertheless, Bell has a diversification programme, which has included the purchase of the Gleneagles Hotels in Scotland and the Piccadilly Hotel in London. Miquel is putting his mark on their management in, again, typically forceful style (fortunately, perhaps, Gleneagles' managing director Peter Tyrie is a regular morning jogger).

On hotel operations Miquel says: "The standards we (at Bell's) operate will operate now at Gleneagles Hotels. It is said I don't know anything about hotels. I spend six months of *the year in hotels, three months* of the year in London at a hotel . . . if I don't know what's required in hotels nobody does —more so than any manager who spends less time than that because I'm the customer."

His attention to detail brings *with it some sharp comments.* Of hotel brochures: "I pick up many mistakes. They (the hotel management) think they're smart. They're not that smart. I can pick them out because that's my whole life."

Other detail includes supervision of the hotel swimming pool: "There was no discipline. Now, since we took over we've put a manager in charge of the place; the fellow's very smart. I'll be doing a CO's inspection . . . They'll be knowing all about that."

How does he explain his preoccupation with fitness?

"You've got to set an example. I go out at seven o'clock and do my training every morning; and why do I do it? Because I want to be number one in the race."

Gleneagles management had been invited to the company's last track and field day. "We start on Saturday evening with the two-mile run, followed by five-a-side soccer, tennis, snooker . . . now that's part of our managerial training. We have disciplines in our company so that they all have to do the two-mile run.

"You've got to try to do things that people cannot possibly believe you can do. That's what you have got to train yourself to do when it comes to business. I come in here just before nine after having trained every morning. Work doesn't seem like work after what I've had to do."

Miquel describes as a "fallacy" his critics' suggestion that he runs Bell through fear and high salaries. "If you were to attend this weekend's sports gathering you would never see a happier *bunch of people, working* together.

"Senior executives are paid quite well, I'm talking by UK standards, at £30,000, that sort of level. But none of them will be leaving here until 7.30 pm; there's not a director goes away before 9 pm at night . . . I work the whole evening and so do they. That's where the leadership comes in again."

Precisely how hard are senior executives expected to work?

"The thing in Bell's is the higher you go, the harder you work. *You don't have to take it.* You can back off. But if you want to get to the top then you'll be working, as I do, 60 hours a week, and every hour that God gave. If they see the chairman do it, they'll want to do it."

But what about wives and families (Miquel has been married for 26 years and has a son and two daughters)?

"We don't have any wives in our business. If at some stage a manager says he wants to go home and have tea every night at six o'clock, well he's reached *about as high on the ladder as* he'll go in the company. . . .

". . . you've got to analyse what you do if you're a family man and go home at six. I mean, do you start cuddling the wife all night? Do you hold her hand? Do you talk to her all night? What do you do all night? I think you'd probably put your slippers on and stick your face in front of the television."

TECHNOLOGY

EDITED BY ALAN CANE

MATERIALS TREATMENT

How to apply pressure to mould metals like plastics

BY GEOFFREY CHARLISH

TWO TECHNIQUES for forming and bonding titanium alloy sheet into complex airframe and missile components have been put into production at British Aerospace and are producing cost savings of up to 60 per cent. Component weights have been cut by as much as 40 per cent.

The techniques are superplastic forming and diffusion bonding. An important chievement at BAe is the combination of the two processes into one thermal/pressing machine fed by a purpose-built robot. The company thinks it is well up with the U.S. aerospace majors—McDonnell Douglas, Northrop and Rockwell—in bringing the combined process into regular production.

Over £8.25m has been spent on the processes, of which about half has come from the Government (Ministry of Defence and the Department of Industry).

Previously, these high integrity, strong but lightweight parts were machined from light alloy, fabricated (welded) from titanium sheet, or constructed in honeycomb form. They are now manufactured in one operation from several sheets that are sandwiched in a special mould and "blown up" rather like a balloon.

Superplastic forming (SPF) exploits the ability of certain alloys to be stretched in sheet form over mould surfaces, without local thinning or failure, when heated to about half their melting point. Only metals with fine, uniform grain structures are suitable, like titanium / aluminium / vanadium alloy.

One drawback is that the process is lengthy, which tends to prevent any spin-off into mass production industries. But it is also labour saving.

The forming time is over three hours, during which forming and bonding pressures are applied to the moulds which are maintained at temperatures in the 900 deg C region. The temperature has to be held within a degree or two and with great uniformity over the mould dimensions, otherwise distortion can occur.

At the same time, selected areas of the sheets join together atomically under the influence of heat and mechanical pressure, by a process called diffusion bonding.

Often, gas pressure is used to inflate part of the sandwich by blowing gas between the two (or more) sheets. The pressure pushes the sheets against the internal walls of the mould to shape the part.

For example, in a two-sheet hatch cover for the Airbus, the inside surfaces of the initial sandwich are first coated with a "stop-off" material, which prevents bonding where it is not needed.

The sandwich is placed between the two halves of the mould and bonding takes place round the edges while gas injected at high pressure between the sheets forms them into the mould shape. The result is a hollow, lightweight and very strong component which is virtually corrosion-proof

BAe's biggest production unit is at Filton—a 20 ft tall Fielding press able to exert 500 tonnes hydraulically on a 6 x 4 ft platen to provide adequate force for the bonding process. The press is attended by a fork-lift loading robot mounted on a rail track with turntable. The cold moulds are manually loaded and placed in a Wild Barfield pre-heating furnace, to be later removed by the robot and put into the press. The robot removes the moulds while hot to a cooling platform where the finished parts are later removed manually.

Other units are installed at the company's Wharton and Hatfield sites.

Some stainless steels can also be formed in this way and the company has looked at the production of pressure vessels, satellite casings and artificial legs. Companies like Vickers have also examined the prospect of making the hulls of submersibles by the process.

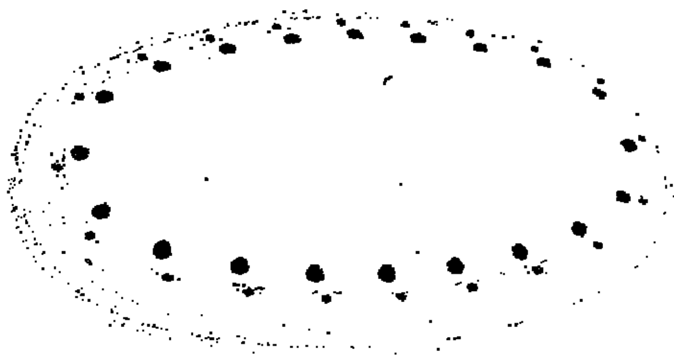
In aluminium alloys, superplastic forming has been used for over ten years and Superform Metals of Worcester, now part of Alcan, makes about 50,000 components a year, of which half go to the aerospace industry.

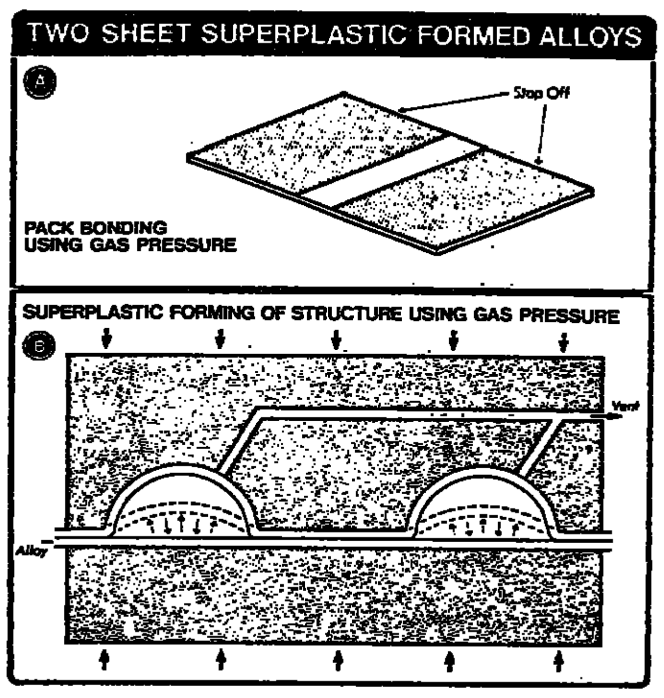
But other industries needing strong, light or complicated parts that would be expensive or impossible to make by other methods are being turned out at Worcester. Cases for electronic equipment that would otherwise be moulded from plastics are a good example.

Other items include bases for medical incubators, where the thermal conductivity of metal is needed, and covers for ultrasonic equipment.

Mr Ian Buchanan, managing director, says that items with a production run from 50 to 10,000 can be cost effective, usually in instances where strength and complication are key features.

Superform Metals has recently developed a new aluminium-lithium alloy which is 10 per cent lighter and 10 per cent stiffer than the Supral aluminium alloys used at present.





Top: a 310 underwing access panel produced by superplastic forming. Above: how the process works

COMPUTER FUTURES

Towards systems for fault tolerance

BY ALAN CANE

PUNCTUATION may separate the literate from the rest but it's rarely a matter of life or death. Unless you're a computer programmer, that is, when a comma or full stop in the wrong place assumes an importance out of all proportion to the size of the error.

The failure of computer software during a Space Shuttle mission was eventually attributed to a single missing punctuation mark in a program written in the scientific programming language Fortran.

That is one reason why the latter part of the decade should see increasing adoption of "error-resistant" languages such as "Ada," the U.S. Department of Defense procedural language, which are written in a structured way and where there is powerful redundancy so that no single part of the program is critical to its overall performance.

Moves towards the creation of better, more reliable software in a more professional way are two of the principal trends in computing identified in a new report from Computer Sciences (CSC) a U.S.-based computing services company.*

The report is described by Mr Keith Nicol, managing director of CSC's UK subsidiary as a guide to what goes on under the computing bonnet for managers who have to deal with computer systems but are not necessarily computer-literate.

As such, it gives a sound and comprehensive overview of the principal trends in computing today. Thus, for example, it describes the moves towards new computer designs better able to deal with complex knowledge-based problems than the conventional architecture where instructions are handled one at a time in sequence.

But it adds the caveat: "Although many research workers predict a revolutionary change in computing concepts sometime towards the end of the next decade, it seems unlikely that the mainstream computer manufacturers, with a large installed customer base to protect, and the essentially conservative business community, will be willing to discard their massive investment in 'traditional' computing techniques."

So most data processing departments can expect simply more of the same in terms of their hardware, with the better ideas from the research world being incorporated as optional software packages.

The report suggests, however, that the general-purpose computer of the late 1980s will consist of two or more processing units, each with its own memory and connected together by a high speed bus or data highway, probably implemented in fibre optic technology.

"The chief reasons for multiprocessor architecture are the growing customer demand for higher reliability fault tolerant systems and the manufacturer's requirement to satisfy a wide range of computing power requirements with only one basic processor design."

But hardware is not the principal problem, according to the CSC report: "The overriding need of the computer industry in the next decade is not ever faster, ever smaller hardware, nor increased software functionality, but improvements in the software engineering process and tool which support the software life-cycle."

It suggests that it could be 10 to 20 years before the software development process is as well understood and supported as hardware development.

That will prove to be a constraining factor in the implementation of software in silicon—desirable to improve the system performance and to make it more difficult to copy software illegally. But without high software reliability, it is risky because it is much more expensive and difficult to correct an error once it has been written on to the chip.

The report will be available early in the new year, price £95. More details from CSC on 01-439 6252.

* *ADP Technology in the Late 1980s* by R. J. Crabb.

Machine tools

Flexible systems in Japan

A MACHINE tool maker has taken its own medicine by building a factory based on flexible manufacturing techniques using its own equipment.

Hitachi Seiki has constructed a £6m plant at Abiko in Japan which can turn out 678 different components in small batches 24 hours a day. During the daytime, the factory is manned by six people, mainly changing tools for the machines. At night only two workers supervise the whole factory.

The plant turns out thousands of components for the company's own production of machine tools. The factory has three groups of machines and robots which, under the control of a host computer, produce batches of components.

Machines are grouped into small manufacturing cells each working on a different job—machining, polishing, welding and so on. Having completed one operation a machine passes the part onto the next machine for further operations.

The control computers for each of the three groups oversee work schedules, production, fixtures and tools and quality control. There are also sequence controllers which take care of the timing of each operation within a cell. All numerical information to control the operation of each machine is fed to it by a fibre optic link from the computer.

In making small components, for example, four machining centres are served by a pallet rack in front of the machines. A computer numerically controlled stacker replenishes the rack automatically, placing a pallet in one of 162 positions.

For larger parts, Hitachi Seiki has a group of three turning centres and a horizontal machining centres. Each of these machines has its own robot which picks a component off a pallet, passes it to the lathe and then replaces the part to the pallet after machining.

Hitachi Seiki is unusual for Japanese machine tool companies in that 70 per cent of its £120m turnover is destined for the home market.

BY ELAINE WILLIAMS

Process

Heating control

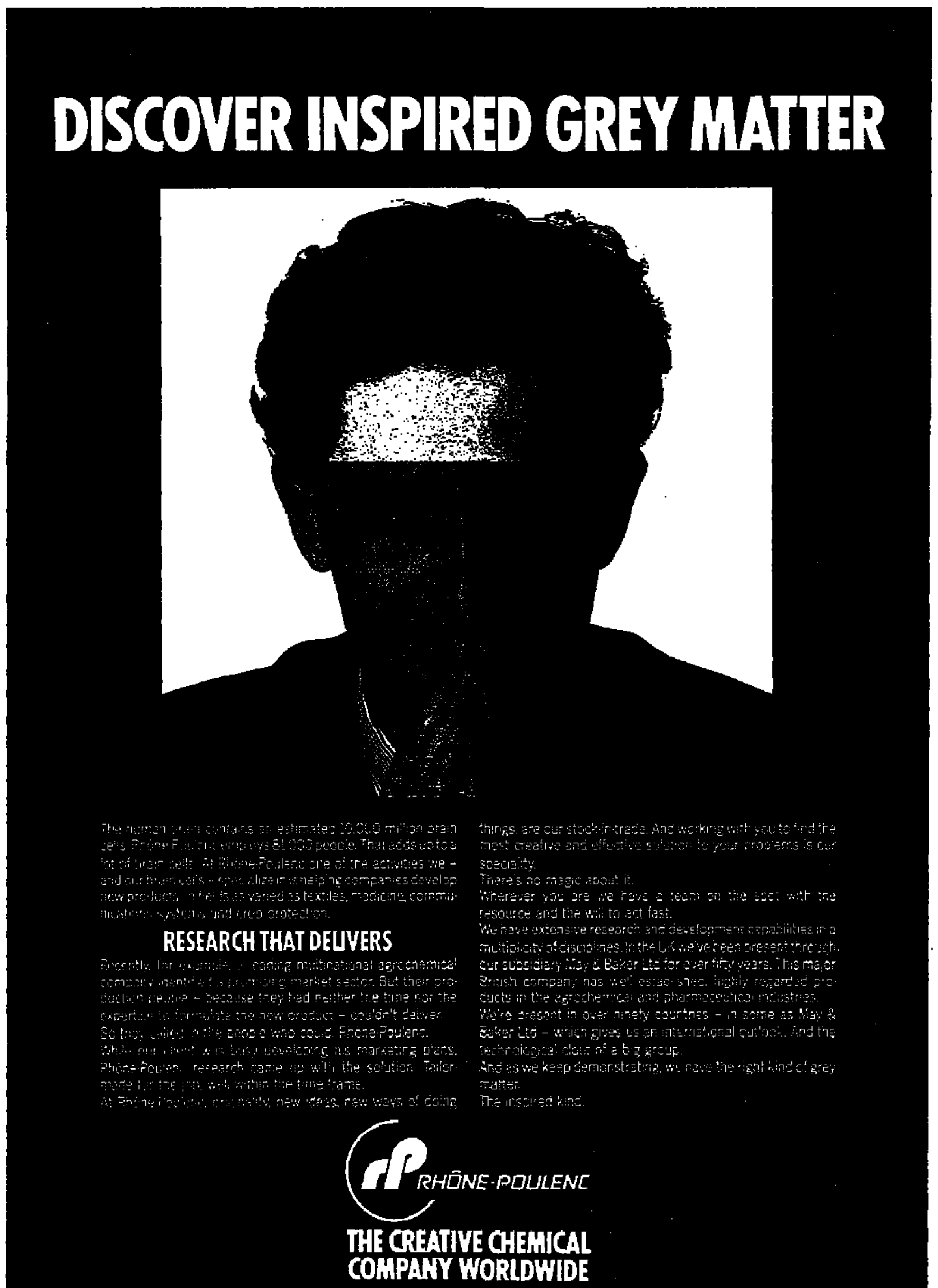
PROCESS temperature controllers from Dyn-Metal in North London are suitable for application in injection moulding, extrusion, vacuum forming and food processing.

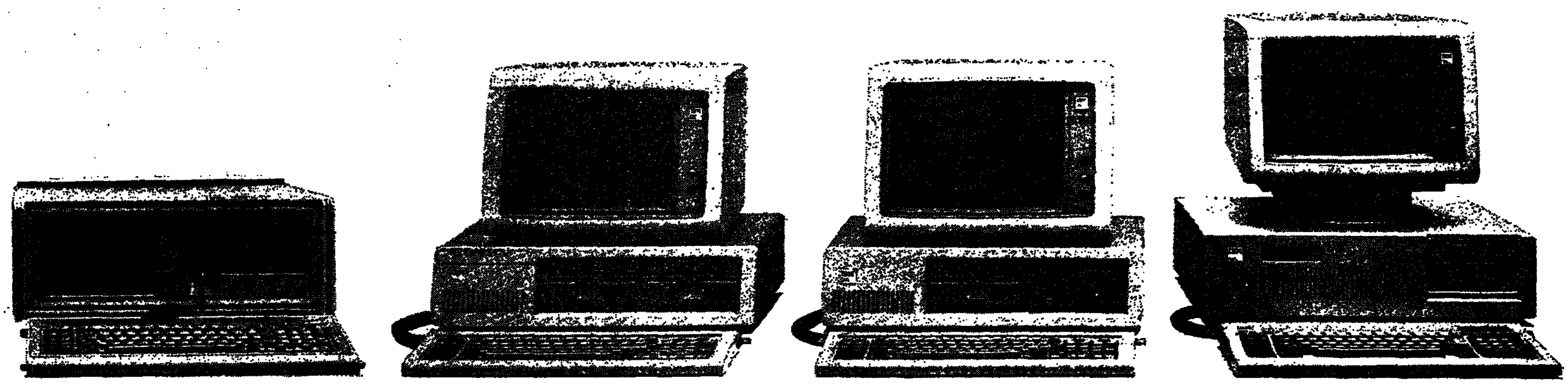
Called the Dyn Power Saver range, the controllers operate over the temperature range of 15°C to 120°C with a heating capacity of either 3.6 or 9 kw. More details from the company in London on 01-961 0656.

Office

Computers

SPERRY has introduced the 5000 series of multi-user microcomputers to join the company's existing range of personal computers. The new machines will become available in January with prices ranging from $15,000 at the low end to $150,000





UK NEWS

Du Pont to set up British electronics plant

BY JASON CRISP

DU PONT, the U.S. chemicals giant, is to set up a new plant in Bristol which will make connectors for the electronics industry.

The company is making an initial capital investment of nearly $6m and expects to employ 90 people by the end of next year and 200 by the end of 1986. Financial assistance for the investment is being given by the Government under the Industry Act.

It is part of a Du Pont programme to invest $20m in electronics plant in Europe in 1984, which will be more than doubled next year.

The company is spending nearly $5m modernising its connector plant at Besancon in France, which was set up in 1982. Du Pont is also spending $5m improving its other connector plant near Eindhoven in the Netherlands. Du Pont also makes connectors at three plants in the U.S. as well as in Brazil, Singapore and Taiwan.

Sales of electronics products by Du Pont, the largest chemicals company in the U.S., exceed $1bn worldwide. Last year its total sales exceeded $35bn. The company is expected to spend $80m on research and development in electronics products in 1984.

Du Pont makes a variety of connectors which are used for linking microchips, printed circuit boards and electronic equipment. The company estimates that the European market for connectors is worth $1.4bn, of which the UK represents about $350m.

Du Pont says it is setting up the plant in Britain because the UK electronics market is growing faster than in other European countries. However, the Dutch plant, which is close to Philips' headquarters, is to become the European centre for research and development in connectors.

Du Pont has bought a factory outside Bristol and plans to start production early next year. The company is also looking for another site in Bristol to become the headquarters of Du Pont's British electronics operation.

UK under pressure to stay in Unesco

BY ROBERT MAUTHNER, DIPLOMATIC CORRESPONDENT

THE COMMONWEALTH countries are today stepping up their campaign to keep Britain in Unesco, the Paris-based educational, scientific and cultural arm of the United Nations, at a meeting of their high commissioners in London with Sir Geoffrey Howe, the Foreign and Commonwealth Secretary.

The high commissioners meet Sir Geoffrey or a junior Foreign Office minister periodically, but today's meeting is considered important because of persistent reports that the British Cabinet has already taken a decision to give 12 months' notice of withdrawal from Unesco.

In the House of Commons yesterday Mrs Margaret Thatcher, the Prime Minister, indicated that this might be the case. She said: "The many criticisms that have been made of Unesco are abundantly justified, both as to the direction of their expenditure and the attempts they make from time to time to prevent freedom of speech and the freedom of the press in some parts of the world."

Today's meeting follows a letter sent by all the 38 Commonwealth high commissioners in London to Sir Geoffrey last week in which they appealed to the Government not to leave Unesco. The U.S. has announced its intention to leave the organisation at the end of this year.

In the same letter, the Commonwealth representatives stressed that they fully supported Britain's initiative to reform the international organisation, which has been widely criticised for bad management, spendthrift policies and inflated bureaucracy.

Mr Gough Whitlam, the former Australian Prime Minister and now Australian ambassador to Unesco, was typically forthright on the subject of Britain's possible withdrawal during a brief visit to London yesterday.

He spoke of "the consternation" of the Commonwealth countries at the prospect of Britain's withdrawal and the feeling of deception which would result if such a decision was taken. After the support which had been given to the UK by the Commonwealth countries for its reform proposals, Britain would be open to accusations of bad faith if it left Unesco.

He said that, far from increasing the pressure for reform, Britain's notice to withdraw from Unesco would deprive the Government of any influence on the organisation during the period before the notice took effect.

That at least was the view of the Commonwealth countries, backed by Britain's European Community partners. They also believed that the momentum towards reform would be brought to a halt by Britain's departure.

The UK Government's view is different. It believes that giving notice to withdraw from Unesco could well increase the pressure for reform. If that pressure bore fruit by next October's general conference in Sofia, Britain could always reverse its decision under the one-year notice rule.

Mr Timothy Raison, the Minister for Overseas Development, has strenuously denied allegations by other countries that Britain is being excessively influenced by the U.S.

N. Ireland joint authority rejected

THE PRIME MINISTER yesterday appeared to rule out the possibility of any executive powers for representatives of the Irish Government in the administration of Northern Ireland.

In what will certainly be seen in the Irish Republic as a slap in the face for Dr Garret FitzGerald, the Irish Prime Minister, Mrs Margaret Thatcher explicitly ruled out proposals for joint authority as outlined in the New Ireland Forum Report published in May.

Joint authority, she told the House of Commons, was a derogation of sovereignty. Replying to a Labour MP who urged her to adopt the ideas for joint authority as a "basis for progress," Mrs Thatcher said: "Co-operation, yes; joint authority, no."

She claimed that in saying this she was going no further than Mr James Prior, the former Northern Ireland Secretary. But in his carefully worded speech in the Commons on July 2, Mr Prior said that inasmuch as any of the forum proposals "significantly" altered the sovereignty of Northern Ireland, it was difficult to imagine that the Unionist majority would agree to them – and the British Government could not "engineer" such agreement.

The Irish Government contends that giving Dublin executive power in Ulster is an essential part of finding a political framework acceptable to both communities there, and that this need not infringe British sovereignty. Mr Prior's words appeared to leave room for discussion, but Mrs Thatcher appeared yesterday to have ruled out any such discussions.

Editorial comment, Page 18

□ VICTOR TECHNOLOGIES, the troubled Californian company, is to end its exclusive distribution agreement with Applied Computer Techniques (ACT) and set up its own UK subsidiary.

The new company is expected to set up its own distribution in the UK but will continue to supply ACT. Until this summer ACT, one of Britain's fastest growing personal computer companies, depended upon Victor's products for much of its sales.

□ FORWARD TRUST, the finance house subsidiary of Midland Bank, is to be restructured to raise profitability. The changes will involve the loss of 370 jobs.

A network of 60 branches will be replaced by 32 "business centres" each equipped with high technology and providing instalment credit, leasing and factoring services.

□ GAS PRICES could rise at about the rate of inflation in the next few years even though the cost of raw gas supplies from the North Sea was increasing at twice that rate, Sir Denis Rooke, chairman of British Gas said.

He told a House of Commons Select Committee on energy that British Gas would be considering the next round of price increases tomorrow. The rise is expected to be a little under 5 per cent.

UK NEWS

Ford lays off 10,000 in strike by seamstresses

BY DAVID BRINDLE, LABOUR STAFF

PROSPECTS of an early end to the strike which stopped Ford vehicle production in Britain looked remote last night. The number of lay-offs caused by a strike by 270 women sewing machinists over a regrading claim rose to nearly 10,000.

Ford said the number of workers laid off at its Halewood, Merseyside, plant yesterday rose to 6,000 stopping production at the press shop there. The number of workers laid off at Dagenham, Essex, remained at 3,600.

The press shop at Dagenham continues operation because it supplies plants at Southampton and overseas and because, for the time being, panels are being stockpiled.

Ford said it had lost output of 6,300 vehicles, worth £40m at showroom prices, since the machinists walked out on Thursday of last week.

The Transport and General Workers' Union (TGWU) which represents most of the strikers, said it was seeking an early meeting with the company to discuss the women's 17-year-old claim for promotion to Ford's Grade C pay band in recognition of the skill involved in their job.

The strikers, who make car seat covers and headrests, have been paid at Grade B rates since the results of a job evaluation scheme were implemented in 1967. A change of grade would add £5.85 to their basic wage rate of £121.33 a week.

Mr Bernie Passingham, TGWU convener at the River plant at Dagenham, said he did not understand why the company was delaying agreement to talks on the claim, which might be enough for the women to consider a return to work.

Ford said it was "extremely reluctant" to reopen talks on the claim. It was unwilling to raise an issue which had been dealt with repeatedly since 1967. The onus was on the TGWU to get its members back to work.

Austin Rover dispute crumbles

BY ARTHUR SMITH, MIDLANDS CORRESPONDENT

THE PAY STRIKE at Austin Rover, BL's volume car subsidiary, crumbled yesterday when 7,500 workers at Cowley, Oxford, voted to return to work.

Shop stewards (factory union officials) at Longbridge, Birmingham, the only plant out of 14 still on strike, have called a mass meeting for today. Amid company claims that half the 11,000 Longbridge workers have already crossed picket lines, employees seem to have little choice but to end the dispute, now in its third week. It has cost the output of 30,000 cars.

Austin Rover last night claimed victory for its tough line in refusing to make any concessions in the face of the union call for a strike by the 28,000 manual workers. The company, confronted with a demand for a £20 a week rise, refused to change its offer of 10.2 per cent spread over two years.

Mr Harold Musgrove, the Austin Rover chairman, stressed last night that the company would press ahead with its court action against the Transport and General Workers Union and the Tass craft section of the engineering union for allegedly defying High Court orders.

"We have embarked upon a process of law. We will continue and we will be in court on Monday," Mr Musgrove said. Austin Rover won injunctions against the unions, under the new Trade Union Act, to order them to withdraw their strike call until a secret ballot was held.

The company is clearly aware of the embarrassment to the transport union in particular, which represents the majority of the workforce. Mr Moss Evans, the general secretary, bound by his union's policy-making delegate conference, has declared publicly he has no intention of signing any cheque for fines that might be imposed by the High Court.

● Union leaders at Talbot, the UK car subsidiary of Peugeot of France, have drawn up a £20 a week pay demand for the 3,200 manual workers. The pay review date is January 1.

Warning of slower growth next year

By Max Wilkinson, Economics Correspondent

THE ECONOMIC indicator which points to developments a year ahead partly reversed its summer decline in September and October, the Central Statistical Office (CSO) said yesterday.

The CSO continued to warn, however, that some slowing down in the pace of economic growth may be in prospect for the early part of next year.

Its most recent data for the cyclical indicators show that the longer leading indicator, which looks a year ahead, rose in September and October after a five month decline starting in March.

The recovery was not enough, however, to bring the indicator back to its level of earlier this year.

"If later data were to confirm a turning point in March, this would suggest that, on the basis of past average timing relationships, the economic cycle would reach a peak some time in early 1985," the CSO said.

It added, however, that this would not necessarily imply a decline in output, but rather slower growth.

The shorter leading indicator, which predicts turning points six months ahead continued to decline slowly in September and October.

This would appear to be out of line with the longer leading indicator, and has contributed to some doubts in Whitehall about the reliability of recent data.

Further £760m sought to cover pit strike

BY PETER RIDDELL, POLITICAL EDITOR

THE GOVERNMENT is seeking parliamentary approval for an additional £760m to pay for the costs of the miners' strike. Winter supplementary estimates published yesterday by the Treasury revealed the extent of the overshoot in a wide range of public spending programmes, mainly caused by the impact of the strike and the sharp increase in unemployment since the spring.

An extra £607m is being sought in government support for the National Coal Board, taking total provision in the present financial year up to £1.9bn. This compares with an original estimate last March of support of £910m, the difference being explained both by the cost of the strike and by retrospective payments for the larger than expected deficit for 1983-84.

The winter supplementaries also highlight for the first time the full impact of the extra cost of policing the dispute. Additional grants to police authorities related to the strike explain most of the additional £155m being sought by the Home Office.

These figures cover only part of the cost of the strike and exclude the additional amount required by the Central Electricity Generating Board for buying extra oil in place of coal. The means of paying for this cost have yet to be decided.

The latest figures are consistent with the Treasury's recent estimate that the strike will boost public sector borrowing by around £1.5bn in the current financial year if it continues until Christmas.

Spring estimates may be presented to parliament in February to cover further costs of the dispute not so far provided for in yesterday's figures. The Government is also seeking an additional £45m to pay British National Oil Corporation to cover the losses caused by its official price of oil having, for most of the year, been higher than the price on the spot markets.

Overall, the winter supplementary estimates amount to nearly £3bn, part of which represents transactions within the public sector. The figures are in line with the rise in public spending this year revealed in the autumn economic statement last week.

Legal Notices

THE COMPANIES ACT 1948
J. R. BACON SUPPLIES LIMITED

NOTICE IS HEREBY GIVEN, pursuant to section 293 of the Companies Act 1948, that a Meeting of the Creditors of the above-named Company will be held at Crest Hotel, Cranes Farm Road, Basildon, Essex, on the 28th day of November 1984, at 12.00 o'clock noon, for the purposes mentioned in sections 294 and 295 of the said Act, i.e.:—

1. The nomination of a Liquidator.
2. The appointment of a Committee of Inspection.

General and special forms of proxy are enclosed herewith. Proxies to be used at the meeting must be lodged at the Registered Office of the Company, situate at c/o J. E. Thomson & Co., 46 Hagley Road, Stourbridge, West Midlands, not later than 12.00 o'clock noon on the 27th day of November 1984.

DATED this 13th day of November 1984.

By Order of the Board
R. E. F. DUTTON
Secretary

Company Notices

Société Nationale des Chemins de Fer Belges (SNCB)

Nationale Maatschappij der Belgische Spoorwegen (NMBS)

U.S.$75,000,000
Guaranteed Floating Rate Notes Due November 1991
Unconditionally guaranteed by
The Kingdom of Belgium

In accordance with the provisions of the notes, notice is hereby given that for the six-month interest period from November 19, 1984 to May 20, 1985, the notes will carry an interest rate of 10.375 per cent per annum. This interest amount payable on the relevant interest payment date which will be May 20, 1985 is U.S.$2,622.57 for U.S.$50,000 in principal amount of the notes.

by Société Générale de Banque S.A./Generale Bankmaatschappij N.V.
Agent Bank

BBL (CAYMAN) LTD.
unconditionally guaranteed by
Bangkok Bank Limited

US $50,000,000
Floating Rate Notes due 1994

For the six months November 19, 1984 to May 20, 1985 the Notes will carry an interest rate of 10 ⅜ % p.a. As a consequence, the coupon pertaining to this interest period will be US$ 26,225.69

Listed on the Luxembourg Stock Exchange

The Mitsui Bank, Limited
Brussels Branch
Fiscal Agent

GENERAL MOTORS CORPORATION

NOTICE IS HEREBY GIVEN that resulting from the Corporation's Declaration of a Dividend of $1.25 (gross) per share of the Common Stock of the Corporation, payable on the 10th December, 1984, there will become due in respect of Bearer Depositary Receipts a gross distribution of 6.25 cents per unit.
The Depositary will give further notice of the Sterling Equivalent of the net distribution per unit payable on and after the 17th December, 1984.
All claims must be accompanied by a completed Claim Form and USA Tax Declaration obtainable from the Depositary. Claimants other than UK Banks and Members of The Stock Exchange must lodge their Bearer Depositary Receipts for marking. Postal claims cannot be accepted. The Corporation's Third Report for 1984 will be available upon application to the Depositary named below.

Barclays Bank PLC
Securities Services Department
54 Lombard Street
London EC3P 3AH

AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED
Sterling Floating Rate Notes due 1997

In accordance with the provisions of the Notes, notice is hereby given that the rate of interest for the period from 14th November, 1984 to 14th February 1985 has been fixed at 10⅝ per cent per annum. On 14th February 1985, interest of £26.82 per £5,000 nominal amount of the Notes, and interest of £134.08 per £25,000 nominal amount of the Notes, will be due against Coupon No. 1.

SWISS BANK CORPORATION INTERNATIONAL LIMITED
Reference Agent

UK NEWS

INITIAL SYSTEM BASED ON EXISTING TECHNOLOGY

Stock exchange reveals its computer timetable

BY JOHN MOORE, CITY CORRESPONDENT

THE LONDON Stock Exchange's plans to introduce new computer systems to back up its reformed securities market will be introduced in two phases. An initial system, which will use existing technology wherever possible or will build on systems at present in operation, is to be introduced by the end of 1986 in time for the dismantling of the minimum commission scales applied to market transactions.

A new system, code named Mantis (market and trading information system) will be brought in later.

The details were revealed yesterday by Mr George Hayter, information services director of the stock exchange, at a conference on computers in London.

Mr Hayter said that in arriving at a computing strategy the stock exchange had had to face up to a number of practical problems.

"First we have a short time scale in computer development terms. This will not allow us to build radically new services from scratch with any degree of confidence that they will work effectively and reliably under high volumes of loading from the first day of the new market.

"Second, we have fundamental uncertainty about the real requirements of the service. Although we know in general terms how the market is expected to operate, we do not know in detail, for instance, who the users will be or how many market makers there are likely to be, or indeed how many terminals they will require and where they will be."

He said that the stock exchange did not have a clear picture yet of the amount of business to be handled "and it is to be expected that the balance may well shift quite rapidly after the initial stages."

The stock exchange, he said, had little idea about the absolute level of trading which is likely to take place "and the consequent level of system activity."

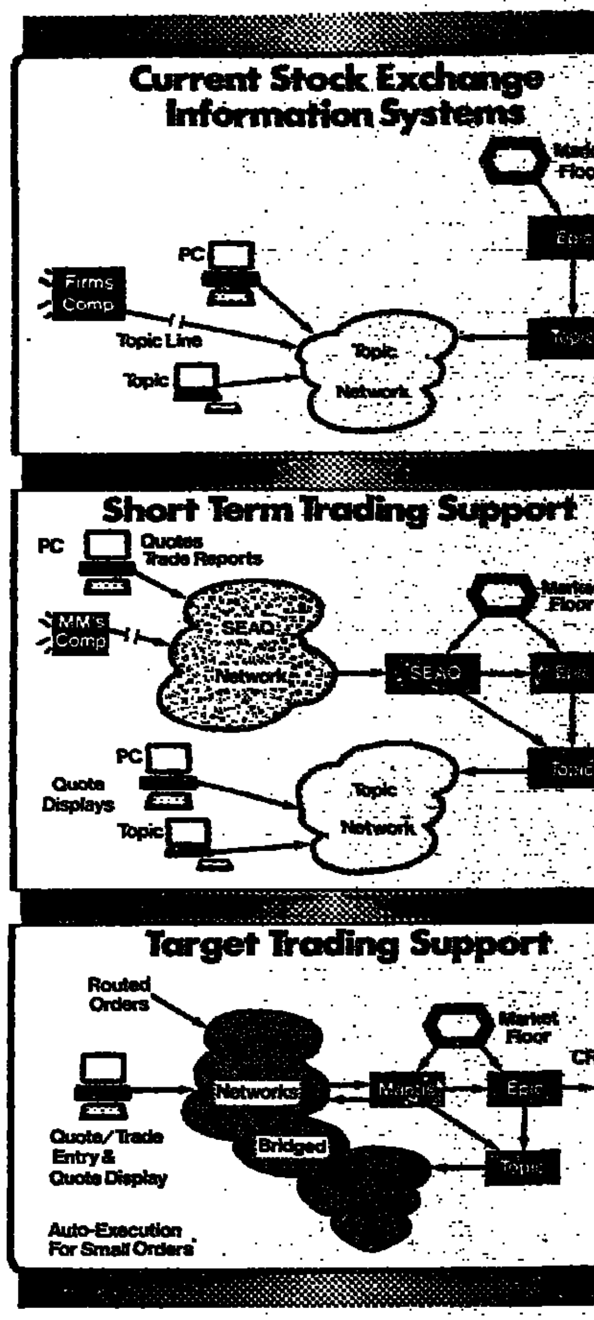
Mr Hayter said that under the existing arrangements the stock exchange's Epic computer system is fed with price quotations from the market floor, together with other information such as company announcements. The Epic system makes its computerised information available to the stock exchange's Topic screen network.

Currently there are some 2,500 Topic terminals, and the stock exchange is this week launching the IBM personal computer as an alternative form of Topic terminal with greater flexibility and more facilities.

By the time the new market starts operating the stock exchange plans to have in place a new computer system, based on the type of computer equipment which it already uses for Epic. This system has been code-named Seaq – the stock exchange automated quotation system.

The Seaq system will receive quotations and trade reports from market makers whether they are working from their offices or on the trading floor. Terminals will be provided in both locations and it will be possible for market makers who have their own in-house computer systems to link them directly into the Seaq computer.

The information is then passed to Epic for distribution on the computer readable signal in much the same way as market prices are distributed now. Information is also made available to the Topic service where all member firms who receive Topic can view the competing quotations position on securities covered by Seaq.



The Seaq network will provide a means of input for quotes and trade reports while the Topic network, will be used for the dissemination of competing quotations to the membership. The Seaq system is expected to be able to handle about 1,000 securities, Mr Hayter said, which will include all the leading UK equities.

It will also be able to handle all the main gilt-edged issues so that the gilt-edged market makers will be able, although not obliged, to put their competing quotations in the secondary gilt market.

"We do not have any firm plans at this stage to support the primary gilts market although we will need to acquire information from the primary market for surveillance and regulatory purposes."

Eighteen months to two years after the introduction of Seaq a new trading support system with much fuller functions is to be introduced. The target system has been code-named Mantis and it is expected to perform the same functions as Seaq and a number of additional operations.

"In particular," Mr Hayter said, "the market maker's terminal will also be able to receive the comparative quotes display. Similar terminals will be available to all members to permit both trade reporting and order entry."

Orders will be able to be routed into the system to a market maker or an agency broker from an external network such as ADP, I.P. Sharp, Reuters or other international order routing services.

"We anticipate holding a central limit order book so that these limit orders can be automatically executed when the quote moves up to them. We anticipate automatic execution for small market orders combined with a bidding and offering service for larger or less active securities and a screen-to-screen messaging service for those trades which do not really warrant a fully negotiated execution." Mr Hayter said.

Mantis, he said, would fill the same niche as Seaq with one or two important differences. Firstly, Mantis will provide fully interactive facilities to its terminals. "This will be necessary in order to handle execution reports and to display competing quotation information back to the market maker's terminal. We also expect that the Topic network and the Mantis network will be linked in some way for reasons of economy and better functionality."

He said that the stock exchange would not be in a position to announce any details of these plans until well into next year.

Mr Hayter said that the stock exchange would be introducing stock accounts for all member firms "enabling them to hold their own stock with the centre in an uncertified form.

"We will be providing trading accounts for all market makers with facilities very similar provided for jobbers (the current market makers) at the present time," he said.

In the longer term the computerised settlement system – Talisman – is to be restructured.

Edwardes hits at 'cowardly' UK managers

By Walter Ellis

MISDIRECTION of talent – people in the wrong jobs – has done more than anything to curb entrepreneurialism and creative problem-solving in British industry, according to Sir Michael Edwardes, chairman of Dunlop and former head of BL, the state-owned car group.

When Sir Michael was appointed to BL he had found "an unbelievable number" of executives in the wrong jobs.

"If you fill leadership posts with people who lack inborn courage – something which can't be taught at business schools – what else do you expect?"

In an interview in the current issue of Chief Executive magazine, Sir Michael expresses "great sympathy" for trade union leaders.

"They see a company getting into deep trouble and they apparently oppose any action to put things right. But all the time they're hoping like hell that management will be strong enough to grasp the nettle. But it doesn't happen.

What UK companies needed was more trauma. "That would shake companies out of their incredible complacency and give managers a chance to develop a sharp cutting edge."

THE ARTS

Television/Christopher Dunkley

Prepare for a low Grade future

ITV has recently relaxed and even abandoned many of its old rules about programme content and scheduling; ITV companies are being allowed unprecedented freedom to pursue ratings; the addition of Channel 4 to the commercial side has deeply affected the competition between BBC1 and ITV; and the BBC is not prepared to take this lying down.

Those are not the actual words used by BBC1's new channel controller Michael Grade in his speech to the Royal Television Society in Cardiff on Saturday but I doubt if he will object to my paraphrase. In years to come we may look back on "Grade's Cardiff speech" and see it as a crucial milestone marking the path taken by broadcasters in the 1980s.

Perhaps it doesn't signal the beginning of a downward spiral in a fierce new ratings war; naturally Grade spoke of pursuing quality as well as popularity, and he promised that "ITV's sudden lust for ratings" would not deflect BBC1 from continuing to give prime places to single plays, documentaries and current affairs.

But while welcoming such general sentiments it is hard not to wonder a little about the likely effects of Grade's specific plans. First he is going to attack Britain's biggest ratings success — *Coronation Street* — head on. ITV's famous northern soap opera maintains an astounding dominance in the ratings. Places 1 and 2 in the current Top 10 are filled as usual by *Coronation Street* (Wednesday) and *Coronation Street* (Monday), the viewing figure for the Wednesday edition being 19.2 million, the highest rating for any television programme since February 1981 when *Coronation Street* itself achieved 20.8 million. In the intervening four years two James Bond movies are the only items to have done better.

Starting at Christmas Grade will be putting a brand new London based soap opera, *East Enders*, bang up against *Coronation Street* twice a week: BBC1 against ITV, south against north, London against Manchester, 7.30 on Mondays and 7.30 on Wednesdays. This column itself has suggested that the BBC needs a "banker" ratings winner like *Coronation Street* in order to protect the "popularity" end of its argument when asking for an increased licence fee. But scheduling it directly against *Coronation Street* hardly looks like an attempt to maximise BBC ratings; more like a bid to minimise ITV's which is not the same thing.

Grade promised more drama series and serials in addition to *East Enders*, though he did not reveal what would be dropped to accommodate them. He added that BBC1 will also increase its number of half-hour comedies and would be spending less on feature films and putting more emphasis on BBC originated films and "home grown miniseries." He also referred to the popularity of film length versions of BBC favourites such as *Last Of The Summer Wine* and *All Creatures Great And Small*.

What he would not be doing, he said, was to give *Songs Of Praise* to Ken Dodd, offer a car and a cruise every week on *Mastermind*, put *Everyman* on after *Closedown*, run *Blankety Blank* five days a week, or take *Panorama* off to make way for the *Eurovision Song Contest*.

Those of us whose memories stretch all the way back to February when *Panorama* was taken off for *The Thorn Birds* raised a quizzical eyebrow at that bit. We raised the other one upon reading weekend reports about BBC plans for next year, not revealed by Grade, for seven or eight chat shows every week presented by Terry Wogan and Russell Harty.

When a remarkably similar plan for a BBC chat blitz headed by Michael Parkinson was mooted in 1979 it was discussed here under the headline "The BBC's race towards trivia." On that occasion the BBC governors intervened and the plan was shelved, but an awful lot has changed since then and when, despite his assurances about not running *Blankety Blank* five days a week, Grade says "but it is clear BBC1 will have to adjust its strategies" we would do well to listen.

Not least among the changes in those five years have been the developments in Grade's own career: in 1979 he was Director of Programmes at London Weekend, one of commercial television's "Big Five," and it was the competition from him and his colleagues which drove the BBC planners down market towards such ideas as daily chat shows.

Having spent the last couple of years working in American television (an experience which, judging from the wry one-liners which came winging back across the Atlantic, he found less than inspiring) Grade has now achieved the unique honour for an ex-ITV man of being asked to take over a BBC channel. The result is the sort of zeal that you find only among the converted.

On Saturday Grade described the mixture of programmes introduced by ITV in 1955 as "greed shows, variety and soap opera." It needs a gamekeeper with long experience of poaching to be so rude, but this changing of sides became highly significant when he offered his estimation of the way in which "So many of the strict IBA (Independent Broadcasting Authority) rules which governed the ITV schedule seem to have gone by the board lately."

As one of those upon whom such rules used to weigh most heavily his claims cannot be lightly dismissed however much they may be motivated by his new loyalties. He cited the example of *The A-Team* which he said "glories in the use of guns, guns and more guns" yet was transmitted at six o'clock, "an hour that would have been unthinkable three years ago." He pointed to the way *The Professionals* is now shown on the wrong side of the nine o'clock "family viewing" watershed.

In his day, he said, the rule was three "reward" shows in any one week, no more than two in peak time. Now there were nine big-prize game shows a week on ITV "including three in tonight's schedule."

Centre-peak advertising in designated children's programmes had been prohibited by the IBA but now the "wall-to-wall children's output" in TV-am's Sunday morning programme was crammed with advertisements for toys.

The five o'clock religious slot which used to contain *Credo* had been slid back to 2.00 pm "against all the desires of the Central Religious Advisory Committee"; last week's *TV Eye* was pre-empted for "of all things," Miss World; and in general ITV was competing with "a new relaxed rule book." That has certainly been my impression too. The IBA's abandonment of the 30-year-old arrangements designed to bar the effects of American style sponsorship from Britain has already been pointed out here.

It can be argued of course that such relaxations are no bad thing: with television expanding and the scarcity which was the only good reason for paternalistic controls now disappearing perhaps it is time to jettison the old rules. Interference from the nanny state does after all look rather odd in this Thatcherite age when we are all supposed to be taking more responsibility for ourselves and our families. (Though the so-called "Video Nasties Act" showed just how much the Tories really want us to take that responsibility.)

The crucial thing is that if the rules are to be abandoned and battle joined under new articles of war the change should be publicly announced and publicly carried through. Michael Grade has at least done us a service by blowing the gaff.

The irony is that some of us thought we had long ago spotted the factors which would bring radical alterations to broadcasting in the eighties: cable and Direct Broadcasting by Satellite. Now cable is indeed arriving but, thanks to governmental ineptitude, in such dribs and drabs that its significance looks like being negligible, at least until the nineties. DBS could well be more significant if the unholy alliance of BBC and ITV (unholy because they are in it for symbiotic protection of their duopoly, not for the benefit of the viewer) can be made to work.

But what Grade's Cardiff speech has made clear is that the most important factors in the battle of the eighties may well have nothing to do with fibre optics or scrambled digital signals or magnetic string. Instead we shall be seeing more than ever of those old familiar weapons: violence, game shows and sitcoms.

'Coronation Street's' Rita Fairclough and Bet Lynch quarrelling over a bloke: competition is soon to come from the BBC in the shape of 'East Enders'

Of Mice and Men/Mermaid

B. A. Young

The course of John Steinbeck's narrative is predictable from the moment George finds the dead mouse in Lennie's great muscular hand, even before he asserts that "There ain't no more harm in him than a kid, except that he's so strong." There's no reason why we shouldn't see what will happen, any more than in *Oedipus Rex*. What matters is the way Steinbeck follows his course, and with a little reservation I find this well set out.

Lennie (Clive Mantle, vast in stature and, for this purpose, pathetically half-witted) is led about the farmlands of northern California by George (Lou Hirsch), half friend and half keeper. The reason for George's attachment is explained twice, differently; if the story had been written 20 years later (it was written in 1936) there would no doubt have been a more likely but less romantic explanation. Lennie is a good worker, and as long as he behaves all right George can always get him a job. But he has an obsession with small, furry things; and more, if they upset him, by biting his finger or something, he kills them by too hard a slap.

At the farm where they are working, there is a nymphomaniac girl married to the son of the boss. There is also a litter of small puppies. Steinbeck moves rather too slowly setting the scene—the play was adapted from a novel by himself and the expert George S. Kaufman, and a certain amount of detail is included at length in the first half of the play that might have been dealt with more concisely.

But the farm and its inhabitants are sharply drawn, and the progress of the story marches with sinister certainty across them. The puppy goes first, the girl next. A lynching party inevitably follows, with a sentimental but dramatic conclusion.

The production under Geoff Bullen's firm direction comes from the Nuffield Theatre in Southampton, where it was well reviewed in these pages by Michael Coveney. Not all the characters show up as equally American, but this is a small thing. Francis Drake as the worn-out hand Candy, William Roberts as the dominating Slim, Christopher Ryan as the tiny, ill-tempered Curley make their several marks, and Susan Penhaligan is very good as Curley's wife, for ever trailing after the men. Lennie has a smashing fight with Curley, but kills his wife with pathos rather than anger. An ingenious truck-borne set is the work of Sean Cavanagh.

Donohoe/Elizabeth Hall

Dominic Gill

I wrote after Peter Donohoe's last appearance at the Elizabeth Hall that "a Donohoe recital is that rare pianistic event which blends high seriousness and excitement in equal measure." I might also have added somewhere in that sentence the word "persuasion"—for though Donohoe's interpretations do not necessarily run along the expected lines, nor even always along the normally acceptable lines, they persuade, even at their oddest, by the overwhelming weight of their conviction.

I am thinking especially of the Chopin which made up the second half of his programme on Monday night, introduced by the three Waltzes op. 64—each one writ powerful and dramatic, a stirring concert study rather than a salon jewel. I've never heard a "Minute" waltz so jauntily bronzed and sunlit, nor for that matter a C sharp minor waltz so determinedly ablaze. His opening group packed a heavy charge: even the Berceuse (opening and closing bars apart) went up like fireworks, soaring over a bass-line ostinato of the most exquisite pianissimo delicacy.

These were the prelude to the B minor sonata, cast in uncompromising heroic mould, and once or twice even uncomfortably so: the urgency of the first movement's sostenuto second subject sounded oddly in context; and the great Largo, not without its gentle insights, was a shade too heartily forceful—there is a certain essential ambiguity in Romantic music which Donohoe's playing cannot, or at any rate does not as yet, quite encompass.

And still, as a whole Chopin span, it worked: not even the oddest emphasis seemed inconsistent. His Beethoven sonata op. 110 likewise, its argument direct, strong, compact, splendid, triumphant, was buoyed up by the same consistency, and the same conviction, brushing reservations aside. Apart from these, at the start of the evening, stood a little Debussy group, uncontroversial and perfectly formed, which included perhaps the most beautiful account I've heard for years of *D'un cahier d'esquisses*.

Government handout for the arts

Antony Thorncroft

In his role as a Treasury Minister Lord Gowrie is the driest of the dries, closely scrutinising the budgets of his fellow cabinet members for possible expenditure cuts. As Minister for the Arts he has just been "running around the country, grabbing people by the lapels and offering them money."

The money—£500,000 to be spent by the end of March and then £1m a year—stems from his pet Business Sponsorship Incentive Scheme whereby the Government matches any new business sponsorship of the arts on a one to three basis to a maximum of £25,000. If a company puts up £75,000, or more, for a new arts initiative the Government will add £25,000. Since its start on October 1 the scheme has generated £550,000 in new sponsorship money for the arts of which £152,179 comes from the Government.

Lord Gowrie was at BP yesterday to announce the first 12 awards. BP, although a long time supporter of the arts, was the recipient of Government aid because it was helping a venture for the first time—the National Jazz Centre. Between them, BP and the Government were able to hand over a cheque for £51,667 to Humphrey Lyttelton who received it on behalf of the Centre and immediately blew his trumpet in thanks.

To ensure that traditional arts sponsors do not bleed their existing arts bodies to take advantage of Government money, the Association for Business Sponsorship of the Arts (ABSA), which organises the scheme, makes applicants sign on the dotted line that they are proposing extra money for new initiatives.

BP was an appropriate company for the naming of the initial awards. As well as being the largest business in the UK, and one spending £250,000 a year on arts sponsorship, its aid for the National Jazz Centre was typical of the new money: it is tending to go to experimental arts and towards those with an educational or youth role.

The three biggest new projects, which each attracted £25,000 of Government aid as a supplementary, were Filmhouse, a scheme to convert a former church into a suitable venue for the Edinburgh International Film Festival and to which Arthur Bell, the whisky producer, is giving around £100,000; the National Museum of Photography, Film and Television in Bradford which is getting £100,000 from Yorkshire Television for a television studio, built to broadcast standards, which will show visitors how TV programmes are made and edited; and the British American Arts Association, to which Endless Holdings is giving at least £75,000 towards the administrative costs of the 1985 American Festival in the UK. All three awards are for didactic events, outside the traditional mainstream of arts sponsorship.

Among first time sponsors are Trafalgar House, sponsoring an exhibition of the work of Elizabeth Frink at the Royal Academy, and the Leeds Permanent Building Society which will, with Government aid, enable the Leeds International Concert Season to invite more prestigious artists.

Other interesting new initiatives are IBM helping to conserve the prints at the National History Museum of Captain Cook's voyages; Peter Stuyvesant Foundation, aiding the Tissot exhibition at the Barbican; Citibank, actually supporting the Arts Council and enabling its British Art Show to visit Birmingham and Edinburgh; and Lloyds Bank, making a video of the Ballet Rambert at work.

So far the Government has accepted all ABSA's recommendations for aid. It is noticeable that there is still plenty of cash left to give away and ABSA will help companies in making an application.

Royal Variety Performance/Victoria Palace

Martin Hoyle

We were warned that the gloves were off: this year the Royal Family jokes would be nearer the knuckle. In the event, the Queen Mother was probably nostalgically reminded of the Crazy Gang; her eldest grandson of Spike Milligan's improvisations in *Son of Oblomov*; and Lady Sarah Armstrong-Jones (her two escorts initially mistaken for extras from *Brideshead Revisited*) must have wondered what all the fuss was about.

Like the end of term school show, the Royal Variety Performance rags and chaffs the VIPs present; unlike the end of term show it is permeated with affection. One of Monday's surprises was Max Bygraves — just when we thought we had escaped him this year — leading the house in "Oh, you beautiful doll" and "Goodnight Sweetheart," addressed directly to the last Empress of India who took it graciously. She had no alternative, unlike the Princess of Wales stationed, perhaps through choice, next to a large floral monument round which she could peep (at Rowan Atkinson and Paul Daniels, for instance), and behind which she occasionally withdrew.

Subtitled "Comedy Tonight," the show produced no pop-singer (apart from the sheer joy of Harvey and the Wallbangers in a '50s rock number), only one sketch cloned from TV, two excerpts from current stage successes, and a foretaste of *Me and My Girl* in a zippy Lambeth Walk led by a recent Hamlet (Robert Lindsay, sounding like a young McKellen). Torvil and Dean were unexpectedly present to receive the warmest ovation after a film of their latest ice-dance — to Rimsky-Korsakov, in Arabian Nights *déshabillé*; possibly no more than the highest kitsch but superbly done.

The traditional variety acts were the best of their kind, including Keith Harris, who actually manages a patter song with his ventriloquist's doll, and an infant juggler, Master Anthony Gatto, whose occasional slip was easily forgiven for his general brilliance.

The curse of such spectacles—shoving on a "personality" for his/her own sake reared its head when David Frost took it upon himself to welcome us "on behalf of the entire profession," though exactly which profession Mr Frost claims, or would claim him, I am not clear. Faith in the comic value of the well-known in unaccustomed roles was brutally betrayed by Charlie Drake's involvement with a couple of telly persons who were unable to sing, dance or move well on stage. By contrast, real professionals in unlikely guise included two intelligent actresses, Jean Marsh and Eileen Atkins, tapping away; and Simon Callow, faintly gross in schoolboy shorts and cap, leeringly prompting the properly serious Frank Finlay in "Sonny Boy."

The audience, on the most thoughtful, was polite with a *Last of the Summer Wine* sketch, slightly puzzled by the Lawrence of Arabia lecture from *Forty Years On*; and out of context *Slaughter on Tenth Avenue* looked scrappy. Henry Mancini and James Galway played "76 trombones" as a flute duet, and Howard Keel recalled *Mack and Mabel*, thus cuing a procession of media ladies to amble—or, as with Bonnie Langford, apparently under the impression that the evening was dedicated to her, sweep-on. In retrospect we could have had more of Les Patterson, Australia's cultural attaché, and much more of the resplendent figure who swept into the royal box just as the standing audience uneasily realised that the protracted drumroll might not be initiating the National Anthem: but Dame Edna Everage, once the situation was explained, galantly stood down. As she admitted, the evening did not belong to her.

Shirley Bassey/Albert Hall

Antony Thorncroft

A Shirley Bassey concert used to be one of the most predictable, but enjoyable, manifestations of theatrical high camp. The lady herself, half dressed in a cut away Christmas cracker, quick to ensure that the most obscure innuendo in her chat would be picked up by the audience; the voice, which once called the tankers home across Cardiff's Tiger Bay, a bravura instrument, mighty powerful but strangulating the words so that only the enduring nature of the material made the songs lyrically recognisable; the audience, brocaded gents clutching bouquets and lining up to kiss the hand, as "Our Shirl" did her final parade in the kind of cloak reserved for old Hollywood musicals—that was a Shirley Bassey concert.

But no more. At the most worrying level the finale had the lady, plus cloak, throwing carnations at the crowd—a generous response to the two modest sprays she received. But at the most welcome level Shirley Bassey has calmed down amazingly, most obviously in her singing. She no longer goes for the big noise and to hell with the songs. There is even some sensitivity as she almost croons "I only have eyes for you."

She still shows off her coccyx, a brave gesture for a grandmother; she still has a little grind in "Big spender" (but she refused to do an encore). She still enters into long, shouted conversations with her fans, revealing no loss of the common touch. But her audience was comfortably middle aged and married looking, and the performance they got was from a relaxed and melodious star, not the dramatic chanteuse of yesteryear. Perhaps the occasion was slightly duller but musically, helped by a fine and extensive orchestra, Shirley Bassey at last came across as a popular singer of charm, and, can I say it, delicacy.

Arts Guide

Music/Monday. Opera and Ballet/Tuesday. Theatre/Wednesday. Exhibitions/Thursday. A selective guide to all the Arts appears each Friday.

Nov 16–22

Theatre

WEST GERMANY

Munich: The English Theatre is presenting the Cheek by Jowl company, a young and enthusiastic ensemble who make ingenious use of simple stage designs and a minimum of props, in Educating Rita, by Willy Russell, a comedy with Jenny Evans and Nick Lloyd, directed by Stella Watson, designed by Herbert Scherreiks. It will be performed at the Theater am Sozialamt (TAMS). Haimhauserstrasse 13a from November 19 to 30. (089/3458 90).

TOKYO

Agnes of God: The Japanese version of J.P. Myers' play starring Keiko Takeshita and Hisano Yamaoka, with Japan's foremost set designer, Setsu Asakura. The choice of this play is an example of eclectic Japanese taste. Habunhinkan Theatre, Ginza. (571 1003).

Kabuki (Kabuki-za) To commemorate November, traditionally the beginning of the Kabuki year, this month's performances feature the country's top actors in a special line-up. Matinee: Hikimado, an act from a classic Kabuki play about conflict between duty and emotion: Kurozuka, a Noh-derived demon play: Kanodehon Chushingura, a version of the 47 Ronin incident (about a band of loyal retainers who avenge their lord's death). Evening: Tsuchigumo: an exciting dance derived from a Noh demon-play about a gigantic demon spider; Kurotebumi Kurowa no Tatehiki, a comedy starring Japan's best Kabuki actor, Ennosuke in three quick-change villain roles. English programme and excellent earphone commentary. (541 3131).

WASHINGTON

Nest of the Wood Grouse (Eisenhower): Victor Rozov's Soviet comedy puts a human face on the local nemesis in the form of Eli Wallach and Anne Jackson as a Russian diplomat and his unpredictable family. Ends Dec 1. Kennedy Center (254 3670).

Crossed Words (Folger): A Christmas season pantomime is not much of an American tradition, but with John Neville-Andrews, an English head of the company, and the Globe Theatre as the setting, there is hope it can still catch on. Ends Jan 6. (546 4000).

NEW YORK

Sunday in the Park with George (Booth): Not your conventional musical. Stephen Sondheim's latest is an inspired pairing with director and playwright James Lapine to bring Georges Seurat's painting to life, with Mandy Patinkin as the painter and Bernadette Peters as his imagined girlfriend, Dot. (239 6262).

Cats (Winter Garden): Still a sellout. Trevor Nunn's production of T. S. Eliot's children's poetry set to trendy music is visually startling and choreographically feline, but classic only in the sense of a rather staid and overblown idea of theatricality. (239 6262).

42nd Street (Majestic): An immodest celebration of the heyday of Broadway in the '30s incorporates gems from the original film like Shuffle Off To Buffalo with the appropriately brash and leggy hoofing by a large chorus line. (977 9020).

On Your Toes (Virginia): Galina Panova with presumably a genuine Russian accent leads an exuberant cast in the remake of Rodgers and Hart's 1936 sendup of Russian ballet tours, complete with Slaughter on Tenth Avenue choreographed by George Balanchine and directed, like the original, by George Abbott. (977 9370).

Brighton Beach Memoirs (Neil Simon): If he wasn't sure before, playwright Neil Simon can expect a long run of his funny as well as touching childhood reminiscences now that the Nederlander organisation has generously decided to name the theatre after the generation's outstanding box office draw. (757 8646).

LONDON

Little Shop of Horrors (Comedy): Campy off-Broadway import which is less good than The Rocky Horror Picture Show but which has a curious charm and an exotically expanding man-eating prickly plant. (930 2578).

The Real Thing (Strand): Jenny Quayle and Paul Shelley now take the leads in Tom Stoppard's fascinating, complex, slightly flawed new play. Peter Wood's production strikes a happy note of serious levity. (836 2660/4143).

Daisy Pulls It Off (Globe): Enjoyable romp derived from the world of Angela Brazil novels: gym slips, hockey sticks, a cliff-top rescue, stout moral conclusion and a rousing school hymn. Spiffing if you're in that sort of mood. (437 1592).

Noises Off (Savoy): The funniest play for years in London, now with an improved third act. Michael Blakemore's brilliant direction of backstage shenanigans on tour with a third-rate farce is a key factor. (836 8888).

West Side Story (Her Majesty's): Classic musical returns to its original London home with a fresh young cast of good singers and dancers. The thrills and spills of Bernstein's score and the Robbins choreography remain breathtakingly intact. (930 6606).

On Your Toes (Palace): Rodgers and Hart's 1936 musical is a genuine tonic. American jazz dance collides with the Ballets Russes. Gems include There's a Small Hotel, Glad to be Unhappy and the Balanchine ballet for Slaughter on Tenth Avenue. (437 6834).

Aren't We All? (Haymarket): Rex Harrison and Claudette Colbert in a meagre rarity by Frederick Lonsdale. Miss Colbert defies the march of time and still wears her hair the same way, with bangs. (930 9832).

42nd Street (Drury Lane): No British equivalent has been found for New York's Jerry Orbach, but David Merrick's tap-dancing extravaganza has been rapturously received. American Clare Leach is a real find as Peggy Sawyer, and Margaret Courtenay has a field day (836 8108).

Starlight Express (Apollo Victoria): Andrew Lloyd Webber's rollerskating folly has 10 minutes of Spielberg movie magic, an exciting first half and a dwindling reliance on indiscriminate rustling around. Disneyland, Star Wars and Cats are all influences. Pastiche score nods towards rock, country and hot gospel. No child is known to have asked for his money back. (834 6184).

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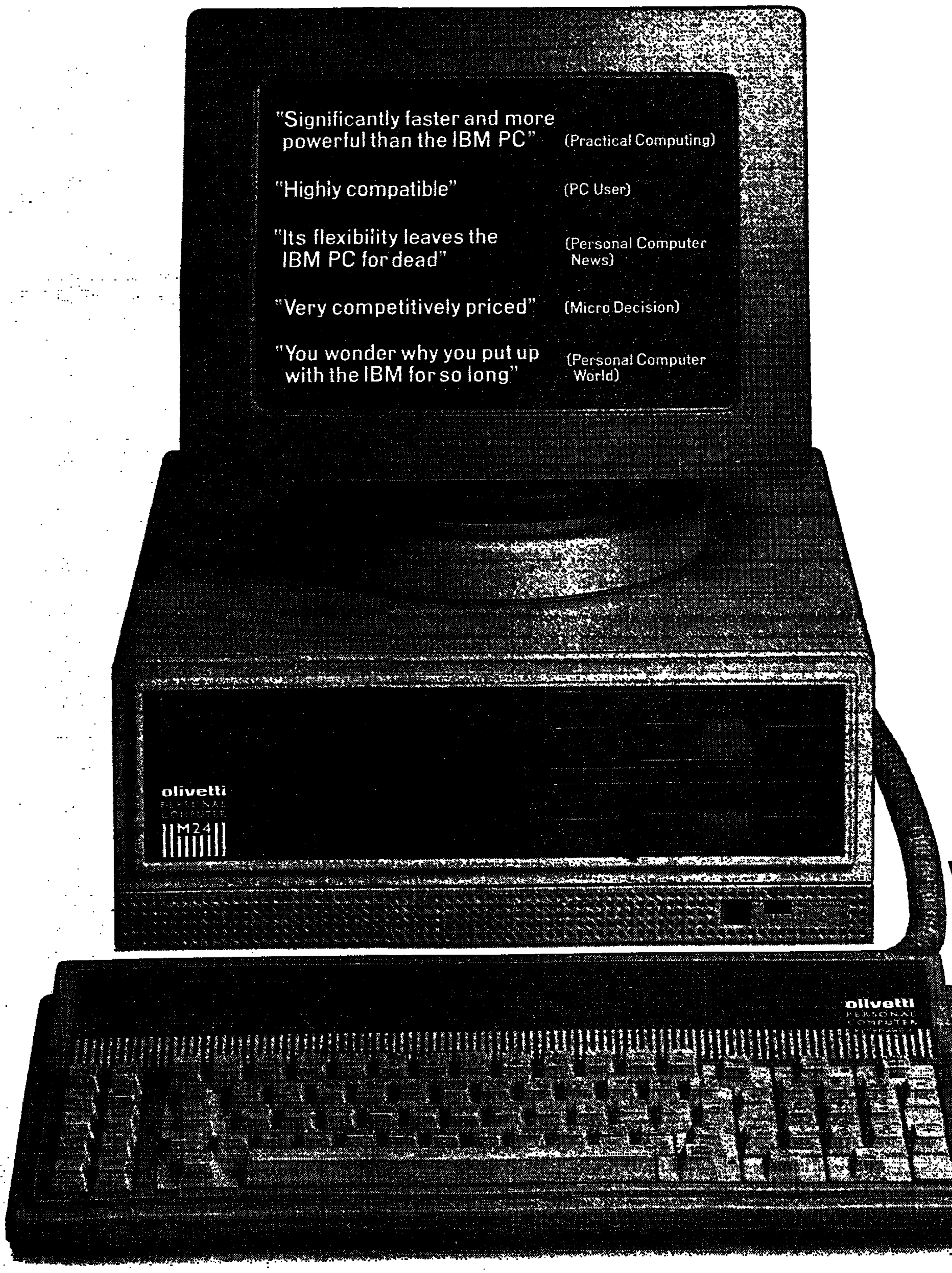

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Wednesday November 21 1984

Progress in Ulster

BEFORE the intervention in the Commons yesterday of Mr John Hume, the leader of the Northern Ireland Social Democratic and Labour Party and MP for Foyle, Mrs Thatcher was making a fairly convincing case that the Anglo-Irish summit meeting at the beginning of the week had been a success.

The two sides had at least agreed to go on talking and to meet again at summit level early next year. Dr Garret FitzGerald, the Irish Prime Minister, had put his name to a joint communiqué which said, *inter alia*: "The identities of both the majority and the minority communities in Northern Ireland should be recognised and respected, and reflected in the structures and processes of Northern Ireland in ways acceptable to both communities." It added: "The process of government in Northern Ireland should be such as to provide the people of both communities with the confidence that their rights will be safeguarded."

Reconciliation

In short, and translating the stilted language, there was a mutual recognition that there could be no progress towards Irish unity until there was some reconciliation between the parties in the north. Dr FitzGerald probably gained something else worth having: namely, the specific commitment of Mrs Thatcher to a search for a solution other than the status quo. Never before has she engaged herself so deeply in the Irish question and agreed to regard efforts to resolve it as a continuing and urgent process.

Yet, as the Prime Minister said in the Commons yesterday, the creation of a political framework in Northern Ireland can only be brought about with "the full co-operation of the Northern Ireland political parties themselves." Naturally the parties include the mainly Catholic SDLP.

Mr Hume seemed to dash all that. Indeed the Prime Minister responded to his intervention by saying that what he said did not give her much hope. It cannot give anyone else much hope either. For what Mr Hume argued, in effect, was that the Anglo-Irish communique was far too narrow and concentrated too much on reconciliation in the north without stressing the wider Irish dimension. Implicitly, he was as implacable as ever about his refusal to take his party into the Northern Ireland Assembly: if anything, his attitude seemed to have hardened.

Possibly those were simply first reactions, though Mr Hume had had plenty of time to find out what was going on and had seemed rather more conciliatory in his initial comments on Monday. It is important for him to realise, however, that if there is going to be any political progress in Northern Ireland, his party cannot just sit on the sidelines and sulk. It, too, will have to join in.

Nobody is insisting that the SDLP should join the Assembly at once. It is not even certain that the Assembly will, or should, survive in its present form. One possibility is that it could be revised as a result of the talks which the Anglo-Irish communique is intended to initiate and which Mr Douglas Hurd, the Northern Ireland Secretary, is about to undertake. There could then perhaps be fresh elections, say after the next summit meeting.

Stalemate

Yet none of that will happen if the SDLP declines to co-operate in the consultative processes. Indeed, non-cooperation is a recipe for stalemate or worse, the very situation which one had thought Mr Hume had been trying to reverse. The British Government has moved some distance in recognising the Irish question as a priority, again something which Mr Hume used to want. Dr FitzGerald has moved a long way as well in relegating Irish unity to a distant aspiration. It would be churlish not to recognise those gains and to fail to appreciate how much further it may be possible to go if the first steps are taken. Mr Hume, in his mood yesterday, was playing with fire. One hopes that Dr FitzGerald, and a great many other people besides, will tell him so.

Financial support for the arts

BRITAIN spends far less money per head on the arts than most leading industrial countries. The fact that theatres, museums, orchestras and opera companies of international stature are flourishing in the U.K. despite per capita spending which is only about one-third of the French and German levels, suggests not only that the arts are giving the British public exceptionally good value for money. It also implies that artistic endeavour is one of the areas of economic life in which Britain enjoys a clear comparative advantage over its foreign competitors.

Even from a purely economic standpoint, therefore, the arts are an example of the sort of industry into which Britain should be putting more of its resources, and which it ought to be developing into an even more commanding position of world leadership.

For a market-orientated government which is determined to curb the role of the public sector, this poses a potential dilemma. For the arts, like many other activities in which Britain has recently excelled—including scientific research, education and broadcasting—do not produce commodities which are particularly suitable for allocation through the ordinary market forces of price, supply and demand.

Rising trend

Throughout history, non-market patronage has been a vital factor in financing both creative and performing arts, in part at least because the arts have been recognised as a genuine public good.

To its credit, the present government has approached the problem of arts patronage in a pragmatic and non-ideological manner. It has kept total government expenditure on the arts on a gently rising trend in real terms, even as it has cut back many of the public sector's other activities. At the same time it has taken modest steps to encourage the private sector to expand its support for the arts. It is arguable, nevertheless, that the arts in Britain remain seriously under-funded and international comparisons, particularly the American experience, suggest that the private sector could be encouraged to do a great deal more at little net cost to the public purse.

The Business Sponsorship Incentives Scheme, whose first successes were announced yesterday by Lord Gowrie, Arts Minister, are one example of constructive and imaginative partnership between the public and private sectors, with the Treasury providing a matching contribution of up to £25,000 for any new business sponsorship of the arts. But this scheme—which should raise about £1m a year—also illustrates the limitations of relying on corporations as the main source of private patronage to the arts.

The fact is that incentives for business arts patronage are already substantial, since sponsorship usually qualifies for tax relief as a normal business expense. Thus, while sponsorship, which amounts to about £15m a year, should continue to maintain a healthy trend, it may be unrealistic to expect any major acceleration in arts funding from this source.

The picture is very different when it comes to arts patronage from private individuals. Individuals are overwhelmingly the most important source of funding for the arts in America. In Britain, individual patronage accounts for a minuscule figure estimated by The Economist at £4m a year, compared with some £300m which is spent by central and local government.

Tax laws are the most obvious, though certainly not the only, reason for this disparity. While all charitable donations are fully tax deductible in America, the British taxpayer must make a four-year covenant to an artistic or charitable institution, before the Exchequer chips in with a limited amount of tax relief. This difference in tax treatment may not appear overwhelmingly significant in theory, but in practice it makes soliciting individual donations to the arts enormously more difficult; people are simply less willing to commit themselves for years in advance.

Should the Government therefore relax the conditions with which tax relief on individual donations is currently hedged? The Treasury rightly believes the Government should be moving towards the abolition of most special tax reliefs. But there is a significant difference between providing tax incentives to arts sponsorship and giving tax relief to home-owners and pension fund contributors. The arts are a public good in a way which private homes and pensions are not; if individuals cannot be induced to pay more, then either the Government must do so or society as a whole will lose out from a decline in artistic standards. This may not constitute a case for wholesale reform but it would justify further experiments with private funding at the margin.

DISASTER IN AFRICA

The lifeblood drains away

By Patti Waldmeir, recently in the Sahel

WHEN the Sultan of Ouaddai in eastern Chad was at war with his neighbour, the Chief of Baguirmi, at the beginning of the 19th century, it took 8,000 slaves to cut a passage for his army through the dense forest separating the two kingdoms.

Now the Ouaddai is an arid savannah, part of a swath of fragile land on the fringes of the Sahara, called the Sahel, which is turning to desert at the alarming rate of millions of acres per year as population pressure increases and wind and water erode the soil.

Like the metastasis of a cancer, patches of dusty wasteland are springing up throughout Africa, from desperately poor Mauritania in the west to Somalia on the Indian Ocean, from famine-hit Ethiopia in the north to the normally less precarious farmlands of Kenya and Tanzania.

While those who dwell in the drought areas scan the horizon for sign of rain, international donors, private aid agencies and, increasingly, African governments are looking beyond the short-term emergency and seeing the change to desert as perhaps the most serious threat to Africa's long-term development.

The famine which now threatens 35m people (the worst this century in some parts of Africa) is prompting a search for root causes by donors and recipients which has led to a scathing indictment of the state of African agriculture.

"The problem of developing agriculture in the Sahel is not too little money, but too much," is the startling conclusion drawn by one experienced official of a leading Western donor, and echoed by many private charities.

Virtually self-sufficient in food production in 1960, per capita production began a steady decline in the 1970s. In the Sahel, 2.5 to 3 per cent population growth now far outstrips the region's 1 per cent annual rise in cereals production. Yet neither in the Sahel nor other parts of Africa such as Kenya, where population growth is running at 4 per cent a year, are family planning programmes having much success.

Total African coarse grains production is expected to fall to 46.1m tons this year from 54.6m in 1982, according to Food and Agriculture Organisation figures. Latest estimates are that the continent will require food aid shipments of 9.6m tons of cereals by next June. Donors blame African governments not only for environmental neglect, but for depressing food production by enforcing low prices to try to placate restive urban consumers. Governments retort that donor projects are often ill-designed, chosen primarily to generate demand for home exports, and strain their budgets with heavy recurrent costs. Private aid workers fault both sides for imposing inappropriate techniques on farmers who develop a crippling dependence on centralised authority.

Haunting scenes, familiar from the deadly Sahel drought of 1972-74, of women and children scratching in the dust for spilled grains outside government cereals stores, have returned, not just in Ethiopia but in Chad, Mali and even Burkina Faso (formerly Upper Volta) where some regions have had a normal harvest.

The same images which spurred a flood of aid funds to the Sahel in the mid-1970s are now prompting donors to ask why more than $10bn in external aid to the region over the past decade has failed to cushion it from a fresh disaster.

The simplest answer is that only a fraction of this aid has gone to the agricultural sector. Of the $7.5bn in aid which went to the eight countries of the Sahel (Mauritania, Senegal, Mali, Niger, Chad, Burkina Faso, Cape Verde, and the Gambia) between 1975 and 1980, less than a quarter was spent on agriculture.

The fact that large-scale irrigation is the only way of making the region rapidly self-sufficient in food production means that massive sums have been spent on capital-intensive schemes. But, according to a recent World Bank assessment, such projects have yielded disappointing results.

For every new hectare of land brought under irrigated cultivation, at a cost of nearly $20,000, a roughly equal amount of previously irrigated land becomes barren as poor drainage leads to waterlogging and a build up of salt in the soil, which renders it unusable.

African critics blame World Bank programmes which emphasise cash crop production (such as cotton, to increase export earnings) at the expense of food crops. They say that cotton production in Mali rose by 400 per cent between 1967 and 1972, while food production suffered, leaving thousands of Malians vulnerable to famine during the great Sahel drought. Since then, rising debt service costs and high oil import bills have left Sahel governments with an even stronger incentive to favour export crops over food.

The vast majority of total aid to the Sahel went to what some donors readily admit are "easy options" such as road construction, administrative training for civil service personnel and urban construction—projects which conform to donor expertise and show a rapid rate of return.

While no African government would question the need for good roads to distribute drought relief and permit trade between surplus and deficit areas in normal years, development economists say the urban bias of most such projects tends to aggravate the already wide gulf between town dwellers and the rural poor.

But there is little prospect that the current imbalance in favour of spending on non-agricultural projects can be redressed in the near future.

The largely subsistence economies of the most arid parts of the Sahel can no more digest billions of dollars of aid than their parched and crusty soils can absorb a cloudburst.

Private aid workers in Burkina Faso complain that donors such as Usaid, the U.S. development agency, refuse any project which cannot be designed to absorb more than $100,000. "They tell us it costs them at least that much to keep an expatriate accountant in Ouagadougou (the capital) for a year to oversee the project," said one disgruntled fieldworker.

Burkina Faso is a good example of the dangers of spending heavily on a country with a low capacity for investment. With more than 200 aid agencies permanently represented in Ouagadougou and external assistance in 1982 totalling 60 per cent more than the entire national budget, the country was until recently seen by agencies as what one field worker called a "development playground."

"Every agency had its own pet technique to try out on the farmer, and plenty of money to persuade him to adopt it. This sapped the farmer's initiative an made him avoid worthwhile schemes which carried limited financial bonuses," said one government official.

Burkina's military leader, Capt Thomas Sankara, said after taking power more than a year ago that the country was worse rather than better off because of too much uncontrolled aid spending. He has set up a government department to monitor aid flows.

While there is a large measure of agreement between donors and even recipient governments that trying to sink large sums into Sahelian agriculture would be to throw good money after bad, there is a clear divide between larger and smaller donors over the possible alternatives.

A recent World Bank internal report on the region comes to the stark conclusion that heavy investment in all but the most fertile areas of the Sahelian countries should stop, and that hundreds of thousands or even millions of Sahelian farmers, herders and nomads should be resettled on higher land to the south. According to the report, only 12.5 per cent of the land surface of Mali, 30 per cent of Burkina Faso and virtually none of the vast area of Niger would be able to absorb large numbers of Sahel refugees.

The report's assessment of past development efforts leaves little room for optimism. Techniques for intensifying production have been poorly adapted to the region and in several cases have reduced rather than increased yields: large-scale irrigation has had "mediocre" results and has been very costly. The report concluded that, in the absence of any major technological innovation on the horizon, attempts to increase significantly the ability of marginal lands to support their current populations should be virtually abandoned.

It applauds the efforts by Sahelian governments over the past decade to increase price incentives to farmers, but concludes that pricing policy alone cannot solve the problem of production in a region where hunger already provides the strongest possible spur to increasing output.

Niger is a case in point. After the 1970s drought, the Niamey Government raised cereals prices, concentrated investment on food rather than cash crops, and improved grains storage and distribution, making the country virtually self-sufficient in food production until this year's disastrous rain failure. But despite these large production increases, thousands of rural poor still go hungry. Surplus grains were sold across the border to make up a deficit in northern Nigeria rather than being distributed in marginal areas of Niger. "Telling the peasant in Niger that the country is self-sufficient in food is like telling him that there is a grains surplus in Europe. It doesn't solve his problem," said a fieldworker from a major British charity.

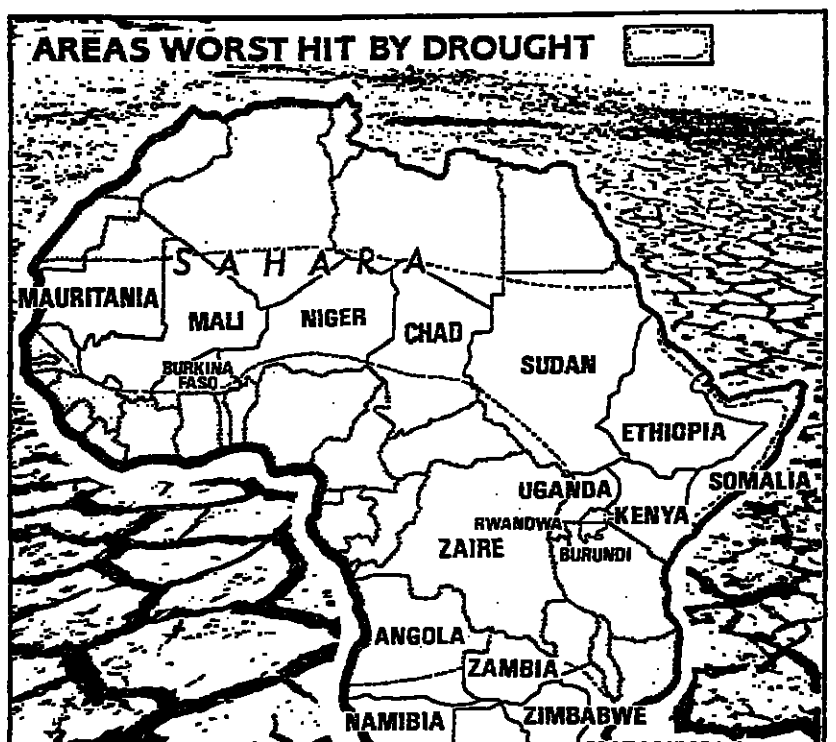
There is a growing realisation among governments and donors that no amount of aid can save the Sahel unless its population can be motivated to fight the change to desert. Modest projects which involve people in planning and implementation are reckoned to be the most successful: simple water harvesting techniques taught by Oxfam in the Ouahigouya area of northern Burkina Faso have made the difference between a small harvest and none at all, while a network of people from Burkina is building simple water filters, dams and village grain stores.

Aid workers believe that the creation of an institutional framework at village level, like the "revolutionary defence committees" being set up in Burkina Faso will be the key to sustained rural development.

In the short term, the limited capacity of the local bureaucracy is likely to be severely strained by the demands of protecting millions of lives threatened by famine.

With Ethiopia still virtually cornering the market for Western sympathy towards Africa, there is the danger that little will be done to help those now starving in the rest of Africa, especially in Chad and Mozambique, until it is too late.

"True to past form, the food will start arriving just in time to depress local markets as production finally begins to recover from the drought," says one embittered Western aid worker. "And all we'll have done with our billions of dollars of aid is to ensure that the next famine will be even worse."



'Problem of developing agriculture in the Sahel is not too little money, but too much'

THE CRISIS ZONES

● WEST AFRICA — in Chad, 2,000 people have died in the past three months in what is believed to be the worst drought this century. In Mali, 1.5m are at risk, and disease has virtually wiped out children aged under one in relief camps in the Timbuktu area. Cattle losses in Mauritania are estimated at between 40 and 90 per cent. Niger expects to lose up to 60 per cent of this year's cereals crop. In Burkina Faso, up to 2m people may be at risk.

● EAST AFRICA—Ethiopia is experiencing its worst drought in memory, with 6m people in danger. Kenya's maize crop is expected to be only 60 per cent of normal, putting 2m people at risk. Sudan, Rwanda and Burundi are also suffering from below-average harvests.

● CENTRAL AFRICA—there have been heavy crop losses in eastern Zaire.

● SOUTHERN AFRICA—three years of drought have cut the region's coarse grains crop to 10.4m tons this year, less than half of the 22.5m harvested in 1981 (the last drought-free year). In Mozambique, 100,000 people have died as a result of famine so far this year, with deaths continuing at a rate of between four and five a day in the Mossaurize district.

Men and Matters

Grenoble grabs electrons

Brian Fender, aged 49, a British scientist, has played a discreet role in provoking a violent French political row which threatens President Mitterand with spirited protests when he visits Strasbourg tomorrow.

Fender, a chirpy, inorganic chemist from St Catherine's College, Oxford, is the director of the Grenoble-based Institut Laue-Langevin, the world's leading research centre using neutron beams to probe the structure of matter.

Over the last year he has lobbied hard together with the rest of the Grenoble community to bring a $100m European X-ray synchrotron to the Alpine capital.

The promotional efforts, oiled by offers of subsidies from regional councils, paid off last month. The French government announced that the synchrotron — which speeds electrons to close to the velocity of light to enable research into materials structure — would indeed be based in Grenoble rather than in the competing centre of Strasbourg.

The Strasbourg region responded with fury, claiming that the government had reneged on its promises to bring the machine to eastern France.

The fact that Mitterrand is to give Strasbourg a paper factory instead is not likely to absolve him from the wrath of his hosts.

Back in Grenoble, Fender says that the decision to put the machine next door to his institute represents a "marvellous opportunity." He is pushing for the synchrontron centre to be named the Maxwell Institute.

The choice of name, by the way, is to honour the 19th century English physicist, not London's extrovert Mirrorman.

"At least we know why BR call them Sprinter Trains—they actually leave on time"

Aggie's new look

The magnificent but sadly neglected Royal Agricultural Hall in Islington, London—perhaps better known as the Aggie—is to have an £11m facelift which will turn it into Britain's first office equipment exhibition hall and wholesale trade centre.

Islington council has agonised for years about the Aggie's future. Her 150-old cast iron roofwork and superior style, redolent of more relaxed times, clearly call for something better than a quick conversion into, say, a supermarket.

A consortium of three—two Britons and one American—is now ready to sign a deal which should make Islington the office equipment centre of Europe.

Sam Morris, who runs a shopfitting business based in Islington, spotted Aggie's potential and has put together a partnership with Jack Richards, a financier based in London, and an American, Bill Poland, who has built up a 1½m square feet display complex in San Francisco called Showplace Square.

The freehold of the hall is costing them £2m and they intend to spend another £9m converting it to provide permanent display space for companies to rent and a big exhibition area under the main roof.

ICFC is taking a minority stake and government/local authority grants of nearly £3m are expected towards this project—which could incidentally do a lot to revive Islington's battered economy.

Pearls of wit

Sir Walter Marshall of the CEGB, whose comic talents I described yesterday, is not the only aspiring stand-up comedian in UK business.

John Finan, general manager of the slightly-staid Pearl Assurance, astonished his audience at yesterday's London conference on High Street financial centres by starting his speech with a string of wisecracks followed by a five-minute Muppet movie.

Not all of his jokes (even more astonishingly) are repeatable here. The one I liked best concerned an actuary who was told to get to the back of a queue. "But there's someone there already," he complained.

Precious stone

The fourth largest diamond ever found goes on display today at the National Museum of Natural History at Washington's Smithsonian Institution.

Naturally enough, it belongs to the world's biggest jewellery retailer, the Texas-based Zale Corporation which happens to be celebrating its diamond anniversary.

Chairman Donald Zale says the 890-carat stone was unearthed somewhere in Africa, and declines to reveal what he paid for it in the open market. "No diamond approaching this one in size is for sale anywhere in the world," he says. "How can you put a price tag on something so exceptional?"

The stone's rare colour—described as "fancy intense"—makes it an even more extraordinary find. And Zale plans to keep the gem which will emerge from the cricket ball-sized rough stone after some 18 months of careful cutting and polishing.

An unidentified master cutter has already experimented on 15 models of the stone—and Zale believes he may succeed in producing the largest polished diamond in the world weighing between 550 and 600 carats.

Computer boom

Ask Acorn Computers if its BBC micro is "selling like a bomb?" and you'll get a hollow laugh.

A computer pundit on The Micro User magazine, answering an "error message" query on his problem page, jocularly advised: "Take your computer immediately to the dealer as this error message indiactes it is about to explode."

The joke certainly went with a bang. According to Acorn several hundred readers took the advice literally and hurried round to their dealers with what they believed were potential bombs.

One middle-aged woman is reported to have dunked her computer in a bucket of water before dumping it on her dealer.

Great shakes

The instruments which measure earth tremors were quivering; the computers were giving out strange readings at the Royal Meteorological Institute in Brussels.

Officials were extremely worried, according to the subscription magazine Computergram International. It looked like the preliminaries to an earthquake except that the readings were unlike any they had seen before.

The explanation turned out to be a simple one. Irish rock group U2 was performing at a concert hall only three and a half miles away.

Observer

UK ATOMIC ENERGY AUTHORITY

In search of a new role

By David Fishlock, Science Editor

Should more of the authority's budget come from the electricity industry? The CEGB's Sir Walter Marshall (l) takes a different line to that in a study requested by Mr Peter Walker (r)

FAR-REACHING changes in the way the UK Atomic Energy Authority is funded are expected to be announced shortly. The Government is anxious to allay any suspicion that it is subsidising the nuclear industry through this agency's £375m annual budget. In particular, the £100m-a-year that Britain is spending on its fast reactor is proving a contentious issue.

For 30 years this high-technology agency, created in 1954 from post-war nuclear activities of the (then) Ministry of Supply, has provided government with advice on nuclear matters.

The changes now being discussed and the way they are managed, will determine the authority's future role in nuclear development. They could also enable it to play a bigger role in the transfer of new technology from laboratory to British industry generally.

Both roles are foreseen by a Whitehall review body which has concluded that, whatever errors may have been made in the past, the Government will continue to need an agency that is "not fundamentally different from the authority in its present form."

The UKAEA invented and took to demonstrator stage Britain's first and second generations of nuclear power station. It laid the foundations for international nuclear fuel and radio-isotope businesses.

But not everyone in the nuclear industry shares the enthusiasm of Sir Peter Hirsch, Professor of Metallurgy at Oxford University and former part-time chairman. (The authority is now being run on a caretaker basis by Mr Arnold Allen while the Government decides on its future role.)

"It's a marvellous organisation," says Sir Peter. But its technological arrogance has left a legacy of enemies. For example, it is possible to trace many of the difficulties of the reactor design and construction industry in Britain to the determination of the authority to retain control of its technology by deliberately fragmenting its sources of supply for its prototype reactors.

Some go so far as to say that the roots of present difficulties in getting the industry to agree on a joint industrial company, independent of the UKAEA, to undertake the U.S.-designed pressurised water reactor lie in conflicts which arose originally between the authority and manufacturing industry.

Sir Walter Marshall, its former chairman and now as chairman of the Central Electricity Generating Board, chief UK customer for nuclear energy, dearly wishes to see a new independent PWR company. He argues that such a company is essential if manufacturers are to shoulder financial responsibility for building future British reactors to the quoted schedule and price.

It is also essential, he says, if Britain is ever to find a role exporting nuclear reactors. The National Nuclear Corporation, with the UKAEA as majority shareholder, is an unconvincing source of supply for an overseas customer, he argues. All its contracts have, in effect, been cost-plus. In its monopoly situation, it even profited from the mistakes it made in designing Britain's first PWR for Sizewell—by getting a further contract to do the re-design.

The only alternative to an independent industrial company—with a shareholding by Westinghouse, licensor of the PWR technology—must be for the CEGB itself to take formal responsibility for building PWRs, according to Sir Walter. A Government heavily committed to privatisation is likely to be critical of such a move.

But Sir Walter says he has no wish to absorb the authority, as an enlarged nuclear research arm of the CEGB. He sees clear advantages in the UKAEA's independence, above all in its advice to Government on nuclear safety. He believes that the public is more likely to recognise that independence if part of its budget continues to come from the tax-payer, by parliamentary vote, and not from the electricity supply industry.

The Treasury is taking a different view. It argues that the £40m a year currently being spent by the UKAEA on safety should come wholly from the electricity industry.

The Treasury line emerged in the Whitehall review last summer, requested in March by Mr Peter Walker, the Energy Secretary. The nuclear industry, "as the primary beneficiary for most of the authority's work," should pay a greater share of the cost, according to the review. The remaining part of the UKAEA's income, which comes through the Department of Energy, should be clearly established on a customer-contractor basis.

The authority's biggest role for the foreseeable future will continue to be the fast reactor, which costs about £100m a year, including safety. This nuclear technology has been shown to work. But in the absence of any dramatic increase in uranium prices, the fast reactor still needs intensive engineering development to make it competitive with present-day reactors.

Fast reactor technology will conserve energy by using fuel discarded by current reactors. It is also the electricity industry's insurance against escalating uranium prices. The authority argues that the very existence of an alternative fast reactor is helping to keep uranium prices down. Commons select committee inquiry this year was not impressed by its arguments about insurance, and focused on the size of the premium, which it estimates at a total of about £3bn by the time Britain currently expects to introduce commercial fast reactors, around the year 2010.

The review has not challenged government policy that Britain henceforth will collaborate in a European "club" to develop the commercial fast reactor, including joint funding of demonstrators abroad. But how far and how fast the electricity industry should assume full responsibility for research and development costs is still a contentious matter.

One way it could be resolved is for the Government to relax the financial targets which the electricity boards are currently required to meet, with the difference seen as a long-term insurance premium. Another way would be for the Energy Department to act as "proxy customer" — as the Department of Trade and Industry does — and set the authority specific targets to meet. The taxpayer would then retain the main interest in paying for a technology which may not be used for another 25 years.

Another continuing nuclear role foreseen for the atuhority is as a "fire brigade" with wide-ranging expertise able to move swiftly whenever trouble strikes the nuclear industry.

As for the still longer-term prospect of nuclear fusion, the authority is likely to continue to manage the national programme. As Sir Peter Hirsch sees fusion research, it is just "boloney" to talk of transferring this to the Science and Engineering Research Council as a basic scientific programme. The motivation for fusion research today is to discover a potential new source of energy. If it were to become the responsibility of the academics, as an untargeted scientific problem, the programme would need to be reformulated, Sir Peter says. "They would be asking completely different questions."

The review body acknowledged that it expects fusion to remain a responsibility of the UKAEA with the objective of providing an alternative source of electricity in the future. Much of the £32m a year currently being spent in the UK comes in fact from the EEC.

Nevertheless, the thrust of advice Mr Walker has received from his review is the need for a more rigorous application of the customer-contractor relationship of funding R and D. To implement it, the review has proposed a single trading fund to embrace all activities of the authority.

But if the Energy Department is to undertake the role of proxy customer for the long-term interests of the electricity industry for the fast reactor and nuclear fusion, it will be obliged to set targets for the authority. In short, it will have to commit itself to a timetable for a demonstrator fast reactor, as part of a European plan.

Politically more palatable at present may be decisions on the non-nuclear side of the authority's activities—transfer of high-technology to other industries. Earnings from this activity exceeded £27m last year.

The review has concluded that nuclear and non-nuclear R and D are too interdependent to be separated. Instead, skills in technology transfer should be backed with the financial freedom of a trading fund, avoiding the big restriction of end-of-year accounting, it says. Already, in anticipation of future freedom, the UKAEA has opened talks with the City about venture capital to support joint ventures with non-nuclear industry.

Latin American debt

Brazil's chance to get off the escalator

By Shirley Williams

THE Inter-American Development Bank report on Latin America showed a substantial fall in the gross domestic product per head in 1981 to 1983 of nearly 10 per cent, and well over that in Brazil, Argentina and Chile. But bad as those figures are, they are not the whole story.

The distribution of income is highly unequal. In Brazil, for instance, the whole of the decline in the standard of living has fallen on the poor and the struggling middle class. The rich have become richer. The dreadful scenes of famine in Ethiopia that appear on our television screens have not yet been repeated for Latin America. But if the whole of export revenues go on being poured into debt servicing and not into development, mass hunger cannot be fended off.

Latin America owes $130bn of accumulated debt to Western banks and international organisations. The money was borrowed in the 1970s, when millions of petro-dollars were being stuffed into every investment opportunity, and interest rates were lower than inflation. All that has changed because of the recession and the effects of U.S. monetary policy on interest rates. The debt has become a millstone around Latin American necks; every 1 per cent increase in world interest rates adds $1.5bn a year to the cost of servicing the debt; export revenues are largely devoted to that end.

The continent is trying to run up a downward-moving escalator. To service debt through export revenues, imports have been cut savagely, including goods needed for development. Yet development is essential if output growth is to match rapid population growth, so that per capita living standards do not fall even further.

Thousands of hectares of land have been switched from food to cash crops for export, particularly soya beans and beef. The consumption of beans, a staple of the Brazilian diet, has halved since 1980. Worst hit of all is the north-east, where children stretch vines across the road to stop cars so they can beg for food and money, anything to keep alive. Estimates of children abandoned by their families run to 20m or more.

Brazil is in the process of returning to democracy by way of indirect elections in January. There has been a powerful grassroots demand for direct elections, which would unquestionably have led to the election of Sr Tancredo Neves, the candidate of the opposition coalition, the PMDB. But the Brazilian Congress rejected direct elections, so the decision will be made by a 686-strong electoral college; the votes may be swayed by family connections and business; they may simply be bought. But political feeling about the IMF conditions for debt-repayment runs so high that the presidential candidates have had to declare their positions.

Sr Neves is a respected ex-Prime Minister who recalls to Brazilians the years of growth and democracy before the military regime was established in 1964. The coalition he leads includes an important breakaway group from the government party, and running as it does from the centre right to the far left, has considerable internal strains.

The cost is being borne by those least able to bear it

If elected, Sr Neves will try to introduce constitutional reforms, including direct elections, to consolidate his support for the long economic haul ahead. He told me that he accepted the need for more direct investment in Brazil; but above all he argued that some part of Brazil's export revenues, perhaps $5bn out of this year's expected $13bn surplus, should be ploughed back into development, including essential imports. A government trying to establish a democracy under the baleful eye of the military must have a period of relief from the relentless demands for still higher export surpluses to service the debt.

Sr Paulo Maluf, the fast-talking and ambitious candidate of the governing party, the PSD, could still win the elections in January, though the graffiti on walls all over Brazil bear witness, like the opinion polls, to the huge popular lead of Sr Neves.

"Indirect elections," Sr Maluf told me, "make it easier for the government party to win." A brilliant businessman of Lebanese origin, Sr Maluf describes himself as "the real radical." He claims that the debt is no problem, less per capita than that of the U.S. or of Israel. In any case, he adds more menacingly, "the banks need Brazil as much as Brazil needs the banks." But he recognises the need to attract more direct investment, and would raise the present 12 per cent limit on the repatriation of profits by 1 or 2 per cent.

Both candidates reject the case by case approach to debt rescheduling, advocated by Western governments, as wholly inadequate. If, as they would want, interest rates are to be capped at 6 or 7 per cent, the remainder being added to capital debt, then the governments of the creditor countries will have to be involved, and so will the central banks. What they have in mind is a new settlement, political as much as financial, for the scale of the crisis far exceeds what can be handled by financial transactions alone.

Western governments and banks must recognise the political and social consequences of starving countries in order to service debts. The Latin American governments have responsibilities as well. The cost of servicing debt has been visited largely upon the middle classes and the poor, those least able to bear it. The highly unequal patterns of income and wealth in many Latin countries have become more, and not less, unfair during the four years of contraction. At least before 1979, the poor could hope for better things. Meanwhile the poor have become much more aware of their plight, largely through the efforts of priests and bishops in the Roman Catholic church. No longer do they regard their poverty as the will of God. The potential for an explosion is there if the governments are unable to offer some hope of reform.

The author is president of the Social Democratic Party.

Letters to the Editor

Paying for politics

From Mr E. Chalker.

Sir,—While welcoming your leader "Paying for politics" (November 12) as a thoughtful and valuable contribution to a matter that must surely become an open debate in this country before long, may I draw attention to two aspects upon which your leader did not touch?

In the first place, it is surely essential that all political parties, especially those that aspire to government, should publicly account for both income and expenditure and should do this in at least as much detail as any other major institution. Not only is there a legitimately wider public interest in political institutions than in even a major company or trade union, there is also a need to protect the interests of both members and supporters. It is, after all, ostensibly in their name that the money is raised and spent and protection of individual shareholders, employees and members is already a specific concern of legislators when compulsory accounting rules are prescribed for other institutions.

This leads us to the second aspect. This is the whole question of party structure, democracy and accountability. The wholly-to-be-applauded moves by the Government to protect the interests of trade union members (and, it was rumoured two years ago, the interests of building society members) have no logical basis unless they are to be seen as steps along the road to legislating for the rights of all members of all institutions and especially those which play significant roles in our national life.

Even without the support of public money, for which the case as you say is so powerful, we have surely moved beyond the time when major political parties can be regarded as a law unto themselves. The distortions in the Labour Party's structure are readily apparent and may well cause fears of the possible consequences. The defects in the Conservative Party's structure are less apparent to the outsider, but the authority over all that massive central expenditure is still determined on the basis of Disraeli's decision to create his own private office. There can be no question of public contributions to political parties until these grave deficiencies are remedied.

Those within the parties who oppose public subsidy may well do so in the clear knowledge that their present excessive privileges would disappear, but let that not be accepted as an excuse to prolong them. Even political parties should not be so mighty as to be above the law that they apply to others.

Eric Chalker,
21, Ingleside Close,
Beckenham, Kent.

Parents and students

From Mr A. Walker.

Sir,—Is it not time that the system of student maintenance grants is recognised for what it is—namely an additional income tax on the suffering parents?

Sir Keith Joseph's latest proposals now "tax" parents at a maximum rate of 25 per cent (£1 extra contribution for each £4 of extra income). This means that some earned incomes will now be taxed at a top rate of 85 per cent, which compares with 83 per cent during the worst excesses of the last Labour Government. Not too many will want to waste sympathy on those with stratospheric income levels, but this should not be allowed to obscure the issues. Does the Government believe it has a mandate to go back to such a tax regime? Should the chance factor of one or more university-standard offspring be the only entrance ticket to this regime?

A. L. N. Walker
Dale Brow Cottage,
Macclesfield Road,
Prestbury, Cheshire.

Pension schemes and taxes

From Messrs. C. Santhouse and D. Whittington

Sir, — With the approach of the next Budget, articles are starting to appear in the financial Press concerning the possibility that the Chancellor is considering the introduction of a tax on the investment income and capital gains within pension funds which are currently exempt from tax under Section 21(2) of the Finance Act 1970.

A flat tax rate of 25 per cent has been mentioned.

The imposition of a tax on pension funds would have to be taken into account in the actuarial calculations which are based on long-term assumptions as to interest rates and inflation.

We have considered a typical final-salary pension scheme of some maturity with a particular set of benefits, excluding, for simplicity, existing pensioner members.

If the past service benefits were covered by the investments on a given actuarial basis under the current tax treatment of pensions funds, then the funds required to cover the past-service benefits with a 25 per cent tax charge could increase by 75 per cent to 100 per cent, that is, substantial further contributions would be required.

In addition, if the currently recommended future-service contribution rate was 12 to 13 per cent of salaries, then this might have to increase to above 20 per cent of salaries in view of substantially lower anticipated net real returns by the scheme.

The problem would be reduced if a way could be found to give tax relief on inflation — perhaps only tax the yield in excess of inflation?

We hope this has at least drawn attention to the serious financial consequences for pension funds if a tax charge is introduced. Many companies may be unable to maintain their pension schemes under such a régime, and many schemes will be immediately actuarily insolvent!

Cyril Jonathan Santhouse and David Whittington.
International House,
Deansgate, Manchester.

Bad policies are worse than none

From Mr D. Kidd

Sir,—Last week bishops in the General Synod of the Church of England attacked a doctrine they referred to as "monetarism."

It so happens that this kind of attack is fairly routine and it may be interesting to cite part of a rejoinder once made by the late Professor Frank Knight, the "grand old man" of Chicago University, a distinguished economist and professor of social sciences and philosophy. In a review of a book containing the kind of sentiments uttered by the Synod he wrote with some understandable asperity: "Such toplofty preaching of platitudinous profundities about the deeper-historical-forces and the higher-spiritual-values has exactly as much relevance to ordinary concrete economic issues as it would have to an outbreak of typhoid spread from an infected water supply . . . problems of means and ends are not solved by romancing about them, or moralising, in whatever pretty or edifying phrases. Better let them alone, since bad policies are worse than none. It is a sad truth that one main enemy of sound economic action is precisely the higher spiritual values as expounded by the bulk of our sociologists and historians, and, of course, the preachers and moralists and literary intelligentsia . . . after an epoch of venturing and achieving we see a mania for security and insistence on the right to consume regardless of production, in a world which just isn't built that way."

And he concluded with a point of especial relevance to the Synod: "Much of what passes current, even as sacred, in this connection is a survival from the Dark Age in Europe; an age of despair, when men's fundamental beliefs and morality were escapist, supernaturalist, millenarian, ascetic or supinely submissive and obscurantist; when in particular the "right" use of wealth was to give it to the nearest pauper (to be dissipated) or, better, to some ecclesiastic outfit pretending to represent the pauper interest and ideal" ("Truth and Relevance at Bay" *American Economic Review* 1949).

David J. Kidd.
48 Park Avenue, N22.

Professional merger

From the Public Services Officer, Barnsley Metropolitan Borough Council

Sir,—Mr Turnbull (November 14) has obviously grasped the fundamental principle of good propaganda in that the most plausible lie contains a grain of truth. Unfortunately in today's harsh environment the grain of truth in your correspondent's comments is so small as to be scarcely discernible.

For my part, I observe the representatives of the firm which has been appointed by the audit commission to audit my council's accounts. Young men, barely out of their teens, dressed in sharp suits driving expensive sports cars, who seemingly spend all the few hours they are actually in the office asking members of my staff how the organisation works. I am green with envy.

Perhaps the answer is for your correspondent and myself to change places.

P. G. Thompson.
Town Hall, Barnsley, Yorks.

Golfing lobby power

From Mr J. Money

Sir,—Mr J. Hatherly (November 13) advocates rateable values being based on site values but scores an own goal by indicating that unoccupied land would contribute. He underestimates the power of the golfing lobby which would fight any such proposal as it would surely lead to hefty and rightly fair burdens on the private golfing community.

J. K. Money.
18, Pembroke Gardens Close,
W.8.

FINANCIAL TIMES
Wednesday November 21 1984

REAGAN PLANS TO CUT AID AS SMALLER AGRICULTURAL UNITS FIGHT TO SURVIVE

Bleak outlook for U.S. farmers

BY NANCY DUNNE IN WASHINGTON

U.S. AGRICULTURE faces "a difficult future" with profound changes in store for the farm sector which will include a rise in its total debt to $465bn by 1995, according to a report by U.S. farm lenders.

The report, released yesterday by the Farm Credit System, comes just as Reagan budget officials are targeting the agriculture sector for major cutbacks in farmer assistance in an effort to reduce the U.S. budget deficit.

According to the report, a dual agricultural system is emerging in the U.S. with large farms growing larger and accounting for most of the farm output and income. Smaller farmers, who have fallen on lean times, "are increasingly searching to augment their incomes with off-farm employment," the report says.

The future is bleak for those farmers who lack the resources and management skills to adjust. The report predicts continued surpluses which together with serious debt and inadequate foreign exchange in the Third World, will damage exports and keep farm income "relatively low."

Farm economists say U.S. agricultural sales have been seriously hurt by the strong dollar. Administration farm officials attribute the weakness in exports to high price supports, which they say keep U.S. products priced above market clearing levels. Besides cutting supports, they are also talking about a cap on farm programme expenditures, which reached an estimate $11bn last year, and an end to schemes which pay farmers not to plant their crops.

The total number of U.S. farms, which has been falling steadily, will continue to decline about 1 per cent through the next decade, the report says. Realised net income in 1987 dollars for the 1985-95 period is forecast at $8-$9bn a year, up from the $7.5bn average for the 1981-83 period when farmers suffered their worst recession since the Great Depression, but below any year in the 1970s.

As the rural economic structure changes, some areas will "wither" while others will prosper if off-farm employment is made available in nearby towns or cities. Many rural banks will disappear and most of the survivors will affiliate with larger institutions, the report says.

Foreign banks are expected to offer competition to the larger, less personalised American institutions. "European banks, notably co-operative institutions, increasingly will seek investment and lending opportunities in the U.S. to place their growing pool of surplus funds," the report predicts.

The decline in U.S. farming will not effect production of grains, which is expected to increase significantly by 1995 as a result of improved yields.

Those farmers who survive will be the ones skilled in management and marketing techniques. The growing sophistication and specialisation of farm managers, the increasing concentration of large commercial farming operations and the demands of outside investors and creditors will expand the need for professional business advisers and high technology.

After suffering the effects of economic policies beyond their control – inflation in the 1970s and the strong dollar now – farmers are now likely to be the big losers in budget-cutting battles ahead.

Urban Congressmen are critical of the billions of dollars spent on expensive schemes such as last year's payment-in-kind.

London signals new timetable for SE changes

By John Moore in London

THE SO-CALLED "big bang" on the London Stock Exchange which will dismantle fixed scales of commission on securities deals is not likely to take place before the autumn of 1986, about a year later than some had expected and just weeks ahead of a deadline set by the British Government.

The new timetable was signalled yesterday by Sir Nicholas Goodison, chairman of the London Stock Exchange, who said the need for extensive technology reform of the market, to support wide-ranging structural changes, could not be completed before the autumn of 1986.

In February this year, the Stock Exchange had indicated that commission scales would be dismantled on a set date, but not before the autumn of 1985. Then the stock exchange gave a warning that it would need sufficient time to ensure that its central market remained liquid and that investors had adequate protection before commissions were finally dismantled.

That would require new technology, which, the stock exchange said in February, would make any abandonment of present commission scales impossible before the autum of 1985.

Sir Nicholas, speaking at a conference on computers in the City of London, said yesterday: "We are reaching a clearer idea of the timing of the change to our market systems, including the proposed system for surveillance. Internal studies have led to the formation of a strategic plan for technical development to meet the new needs."

He added: "It begins to look as if it could be the autumn of 1986 before we can complete the technical development necessary to introduce the new market quotation and surveillance systems. This enables us to meet the Government's deadline, but our ability to meet the deadline very much depends on avoiding technological accidents."

For months the London stock exchange has been attempting to devise computer systems to back up a radically restructured stock market. The changes have been caused by the British Government's decision to deregulate the stock exchange in the summer of 1983. In return, the stock exchange had to dismantle its minimum commission scales.

Move to computerisation, Page 14

THE LEX COLUMN

Autumn leaves on Wall St

Sir Nicholas Goodison times his announcements with precision and yesterday's conference on computers in the City provided an ideal opportunity to report that detonation day had been postponed until autumn 1986. Even if the members are ready before then, it seems the technology will not be.

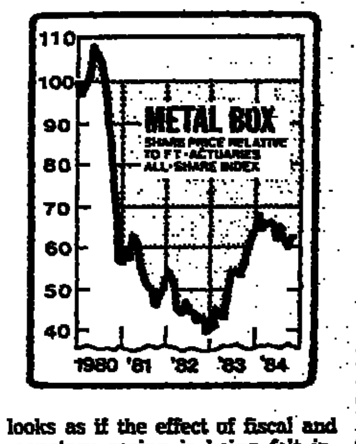
U.S. economy

Yesterday's statistical douche from the U.S. Commerce Department must have dampened all but the most determined believers in perpetual growth. Going beyond the expected downward revision in third-quarter GNP, to its lowest rate of increase since the end of 1982, the department's number-crunchers also left the outlook for further recovery looking distinctly bedraggled.

Much of the cold water was directed at hopes of keeping output moving by a switch from consumption into sustained investment, whether by individuals or by companies. The rate of house-building is now 9 per cent lower than it was last year. Perhaps more ominously, corporate after-tax earnings in the third quarter were actually 2.3 per cent lower than they were in 1983. After the impressive growth of earnings and liquidity in 1983, there are signs that profitability is being badly squeezed, and doubts over the level of capital spending that corporate cash flow will be able to finance.

The important questions now concern the type of adjustment that the U.S. economy – and financial markets – are likely to make to the slower pace of activity. The bond markets seemed yesterday to be taking for granted a further loosening of the Federal Reserve's purse-strings, quite possibly leading to a cut in the discount rate before long. Although slackening activity eventually leads to a larger fiscal deficit, the effects of easier money are likely to be seen in lower interest rates long before the extra funding comes home to roost.

Indeed, it is the combination of current account deficit with Federal spending which seems to be squeezing the company sector. The slowdown in GNP is being laid at the door of falling net exports – scarcely a surprise in view of the dollar's extravagant popularity – and it



looks as if the effect of fiscal and monetary easing is being felt increasingly in the import bill.

Electrolux/Zanussi

Yesterday's third-quarter profit statement from Electrolux was a welcome relief after the string of disappointing results from Swedish companies. Over the first nine months income after financial items rose 46 per cent to SKr 1.7bn and the company is sticking to its forecast of around SKr 2.4bn for the full year.

But, while these numbers are all to the good, they are completely overshadowed by the acquisition of Zanussi which the appliance of patience seems at last to have brought within the Swedish company's grasp. Barring any last minute hitches, Electrolux should be able to consummate the deal shortly before Christmas.

Even for a group as experienced in corporate resuscitation as Electrolux, the purchase of Zanussi is an extraordinarily bold move. Italian accounts are not among the most reliable in the world and, even assuming that every skeleton has by now been shaken out of every cupboard, Zanussi will be piling up losses for two to three years yet.

Electrolux has driven a hard bargain with the creditor banks and has structured the deal in such a way as to keep Zanussi off balance-sheet until profits are being shown. But the capital injection will add around SKr 800m of debt to an Electrolux balance sheet which is already showing net borrowings and total shareholders' capital roughly level at about SKr 8bn. And the interest on the new convertible loan will, at close to 5 per cent, nothing like match the cost of funding it in lire.

Altogether, Electrolux may face additional financing costs of around SKr 75m next year, which it hopes to make up through various product swaps and partnerships with Zanussi. That looks an ambitious target but then ambition is the *leitmotiv* of this entire undertaking.

Metal Box

A mere 4.6 per cent increase in pro-forma pre-tax profits, a prudent interim dividend and news of mischief in Nigeria was enough to push Metal Box shares down 13p yesterday to 340p. Although the results for the half-year to September look up as the reader looks down, with earnings per share rising 23.7 per cent to 33.4p, the market seems to have decided that Metal Box's colourful recent past demands a certain caution about the future.

A first-half jump in trading profit in the UK of more than 50 per cent would scarcely be considered sustainable even without Metal Box's own muffled warnings. Volume is steady overall, while further opportunities to reduce costs become harder to find as Metal Box's rigorous slimming cure hits bone. The £3m half-year loss from Nigeria was an unpleasant shock, even if it hardly survives to the bottom line, and the group may be dreaming of shifting that great but troublesome nation off its balance-sheet as it did so successfully with South Africa last year. The profit contribution from there might not have looked so discouraging but for a missing £1m, carried away by the falling rand.

The market will probably stay agnostic about Metal Box's new PET plastic-can or aseptic package notions for the U.S. market until it has actually made its American acquisition to support them.

Having pulled in £40m from the South African restructuring, and with its gearing at opulent levels, Metal Box certainly has money to spend. Equally, a prospective multiple of 5 on estimated pre-tax profits of £65-70m for the year and similar tax experience is low for the sector – and dividend cover of 2.5-3 times gross would suggest a more generous final payout.

France 'will go ahead with shuttle'

By David Marsh in Paris

FRANCE has made clear its intention to press ahead with building a manned space vehicle, Hermes, for the 1990s, even if its European partners decline to support the project.

M Frederic d'Allest, the director general of the French national space agency, CNES, said yesterday that the Hermes "mini-shuttle," on which preparatory design work has been carried out for about four years, would have manoeuvrability in space equal or superior to the U.S. space shuttle.

France has already decided to go ahead with two other Europe-wide projects – building the heavy-duty Ariane-5 rocket and the Columbus space module. These are closely associated with long range plans to develop a European space station.

A formal decision to adopt the Columbus project as Europe's participation in the proposed U.S. space station is expected from the 11-nation European Space Agency in January.

France is expected to put up the bulk of the funding for the roughly $2bn Ariane-5 project, while it will probably take a 15 to 18 per cent stake in Columbus, M d'Allest said.

He told a press conference that participation in the U.S. space station offered France the chance to use the structure and to gain knowledge in the new area of orbiting outposts.

Difficulties would arise however, if France relied solely on the U.S. to build up its space station expertise. Although France had "fruitful co-operation" with the U.S. in space technology, "total dependence ... would not be easily accepted by the French Government," he said.

As a result, CNES is placing stress on developing Hermes, costing around $1.5bn. This could be used as an independent means of ferrying men and materials to orbiting platforms from 1997 onwards.

Brussels seeks mandate for talks on steel exports to U.S.

BY PAUL CHEESERIGHT IN BRUSSELS

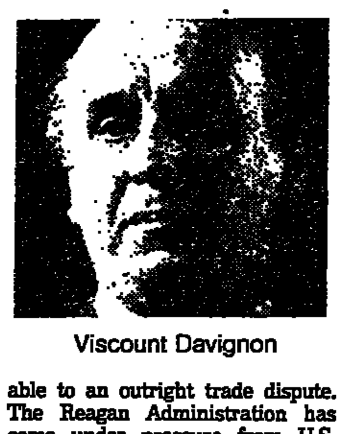
THE EUROPEAN Commission will recommend to EEC industry ministers tomorrow that it should be given a mandate to negotiate with the U.S. a sales restraint agreement for steel pipes and tubes.

This emerged yesterday when a spokesman disclosed that Herr Wilhelm Haferkamp, and Viscount Etienne Davignon, respectively the commissioners for foreign affairs and industry, had met Mr William Brock, the U.S. Trade Representative, at the weekend.

Their exploratory discussion had reached a stage where more formal talks could be held if both the Reagan Administration and the EEC Council of Ministers agreed, the spokesman said.

The talks advanced far enough to forestal a move by the U.S. Customs to stop pipe and tube imports from November 20. The Commission said it had received assurances from the Reagan Administration that such administrative measures would not be taken. One vessel was apparently detained, however.

The Commission feels that an arrangement with the U.S. is preferable to an outright trade dispute. The Reagan Administration has come under pressure from U.S. steelmakers to curb pipe and tube imports.



Viscount Davignon

Viscount Davignon sees representatives of the EEC steel industry today to test reactions to a sales restraint agreement. Companies in West Germany and Italy are chiefly concerned, accounting for 35 and 30 per cent respectively of EEC exports to the U.S.

Pipe and tube exports to the U.S. were 1.078m tonnes in 1982 and are estimated to be at the same level this year after a slump to 500,000 tonnes in 1983. They account for 14.9 per cent of the U.S market.

Ministers are likely to want to give the tightest possible negotiating mandate to Viscount Davignon, meaning that the issue is unlikely to be settled tomorrow.

Mr Brock is believed to have told the EEC commissioners that the U.S. might be prepared to accept European companies having about 7.5 per cent of the market.

This does not necessarily relate to present market levels but is higher than the 5.9 per cent mentioned as a guideline in an exchange of letters during 1982 on a sales restraint agreement for carbon steel products.

The key problem for exporters is pinning down the level of sales which they might have in the U.S., before Viscount Davignon is given power to negotiate. Diplomats were making clear yesterday that there could be no question of the Commissioner going to Washington to play his own pack of cards.

Greens quit alliance with SPD

BY RUPERT CORNWELL IN BONN

THE FIRST "red-green" alliance to run a West German state collapsed yesterday as the Greens (environmentalist party) broke off their five-month-old agreement to back the minority Social Democrat (SPD) government in Hesse.

The decision, which could have far-reaching implications at the national political level, stems from a bitter dispute between the two parties over the future of two plants producing and storing enriched uranium and plutonium at Hanau, near Frankfurt.

The Greens, much of whose steadily growing support reflects their fiercely environmentalist and anti-nuclear stance, had insisted that Herr Holger Börner, the SPD chief minister of Hesse, veto plans to extend the Nukem plant where uranium is enriched and order the closure of the Alkem reprocessing facility.

Herr Börner refused on both counts. Last night he attacked the Greens' pull-out as a crude attempt at political blackmail, "which again raises the question of their political competence."

At a local level, the end of the alliance marks a return to the political deadlock created by successive state elections in September 1982 and September 1983.

On both occasions the Social Democrats emerged as the largest single party, but without an absolute majority. Until the deal with the Greens last June, the SPD could only govern in a caretaker capacity.

In national terms, the events in Hesse must cast a shadow over the possibility of "red-green" co-operation in other Länder (states) facing elections in the next two years – and, conceivably, in Bonn after the general elections scheduled for February 1987.

SPD and Green officials last night maintained that Hesse was a special case which would have no impact elsewhere. The environment issue which proved crucial there, however, is potent throughout West Germany, and the breakdown loudly enhances the future general credibility of left-wing partnership in government.

Kirkpatrick to quit UN post

By Reginald Dale in Washington

MRS JEANNE Kirkpatrick, President Ronald Reagan's ambassador to the United Nations, announced yesterday that she would return to private life after the current UN General Assembly session ends on December 10.

Her statement came as a senior Administration official told reporters that Mr Reagan planned to keep his current national security policy team in Washington intact as he starts his second term – apparently removing the possibility that Mrs Kirkpatrick might be given a high-ranking post as a security adviser.

The official said that Mr Caspar Weinberger, Defence Secretary, Mr William Casey, Director of the Central Intelligence Agency, and Mr Robert MacFarlane, National Security Adviser, had all discussed their jobs with Mr Reagan and were planning to stay on at his request. Mr George Shultz, State Secretary, announced that he was staying on last week.

It is widely assumed in Washington that the controversial Mrs Kirkpatrick would have liked Mr MacFarlane's job – she is said to have been disappointed not to have been given the post when he first took over in October 1983.

Laker decision caution

Continued from Page 1

der U.S. law he could claim triple damages.

It was pointed out in Whitehall yesterday that the U.S. President's move did not alter the issue at the core of the Anglo-U.S. civil aviation row – the differences between the two over interpreting the 1977 Bermuda Two air agreement covering all aspects of air transport between the UK and U.S. including fares.

Reginald Dale in Washington writes: President Reagan's decision was taken after he heard arguments from both the State Department and the Justice Department.

Justice Department officials said yesterday that the department had not been willing to close the investigation "of its own volition" and that they could not remember when a President had last overruled the department on a grand jury criminal investigation.

They added, however, that Mr Reagan's move was an "appropriate exercise" of presidential power, based on his constitutional position as chief law enforcement officer and overlord of the nation's foreign policy.

The State Department argued that foreign policy considerations were overriding, on the grounds both that Britain was an important ally and because the U.S. had to come to grips with the whole issue of the extra-territoriality of U.S. law as it affected other trading partners.

Mrs Margaret Thatcher, the British Prime Minister, was informed by the White House of the decision as soon as it was taken on Monday.

Bonn hint on sea law

BY PETER BRUCE IN BONN

A LAST-MINUTE compromise which would allow West Germany effectively to take part in the United Nations Law of the Sea Convention, without actually having to sign it by the December 9 deadline, is being discussed in Bonn.

The debate about whether to sign the convention, and thereby consent to its controversial provisions on deep sea mining, has split the West German Cabinet and at least one of the governing coalition parties, the Free Democrats (FDP).

However, the office of the Chancellor, Herr Helmut Kohl, who has rejected pleas by Herr Hans-Dietrich Genscher, the Foreign Minister, to sign the convention, has begun to suggest that Bonn will allow itself to be taken into the convention through the offices of the EEC.

Under the convention's articles, international organisations are allowed to sign it, provided a majority of members of the organisation agree. With Belgium having pledged that it would sign, most Community members will be signatories by December 9.

Bonn, it is understood, would be prepared to be outvoted in the Council of Ministers if the EEC decides to take part. West German officials also believe that Britain, which with the U.S. has openly refused to sign, might also not veto a Council of Ministers decision to join.

German opposition to the convention mirrors that of the UK and the U.S.: the fear is that, with the UN administering the convention, finance and deep sea mining technology could be unequally transferred to the developing world.

World Weather

		°C	°F			°C	°F			°C	°F			°C	°F
Ajaccio	F	15	59	Dubrovnik	R	12	54	Malaga	—	—	—	Salzburg	—	—	—
Akrotiri	S	21	70	Faro	F	17	63	Malta	F	19	66	Seoul	S	9	48
Algiers	F	19	66	Florence	S	10	50	Manila	S	30	86	Singapore	F	29	84
Amsterdam	F	9	48	Frankfurt	C	5	41	Miami	C	27	81	Stockholm	R	3	37
Athens	F	22	72	Funchal	C	20	68	Milan	Fg	4	39	Strasbourg	C	7	45
Bahrain	S	25	77	Geneva	C	9	48	Moscow	S	-4	25	Sydney	F	24	75
Bangkok	S	32	90	Gibraltar	S	18	64	Munich	C	5	41	Taipei	R	16	61
Barcelona	S	16	61	Guernsey	F	11	52	Nairobi	S	24	75	Tangier	F	17	63
Beirut	S	23	73	Helsinki	C	-3	27	Naples	S	15	59	Tehran	—	—	—
Belgrade	C	7	45	H. Kong	S	21	70	New Delhi	S	24	75	Tel Aviv	S	25	77
Berlin	C	3	37	Innsbruck	R	4	39	New York	F	7	45	Tenerife	F	21	70
Biarritz	F	13	55	Inverness	C	6	43	Nice	S	16	61	Tokyo	R	7	45
Blackpool	R	9	48	Istanbul	F	18	64	Oporto	C	15	59	Toronto	F	0	32
Bordeaux	F	13	55	Jersey	F	11	52	Oslo	Sl	1	34	Tunis	C	15	59
Brussels	S	8	46	Jo'burg	R	22	72	Paris	S	11	52	Valencia	S	17	63
Budapest	C	7	45	Las Palmas	S	23	73	Prague	C	2	36	Venice	S	11	52
B. Aires	R	26	79	Lima	F	21	70	Reykjavik	F	4	39	Vienna	R	4	39
Cairo	S	24	75	Lisbon	F	18	64	Rio de J'o	C	25	77	Warsaw	C	0	32
Cape Town	F	19	66	Locarno	S	9	48	Rome	F	15	59	Zurich	R	7	45
Caracas	C	26	79	London	F	18	64								
Casablanca	C	19	66	Los Angeles	S	24	75								
Copenhagen	C	5	41	Luxembourg	R	6	43								
Corfu	R	16	61	Madrid	S	13	55								
Dublin	F	8	46	Majorca	—	—	—								

Readings at mid-day yesterday:

C-Cloudy D-Drizzle F-Fair Fg-Fog R-Rain S-Sun Sl-Sleet Sn-Snow T-Thunder

U.S. growth slowdown

Continued from Page 1

DM 3 for the first time since the end of last month.

Foreign-exchange dealers said the dollar was buoyed by expectations that further falls in U.S. interest rates would be limited by the Administration's need to finance budget deficit.

The dollar closed in London at DM 3.0060, up 1.4 pfennigs from Monday.

Sterling lost 1.1 cents to end the day at $1.2380, but the sterling index, calculated before the close of trading, was unchanged at 76.

London's financial markets, however, are still anticipating a general fall in UK interest rates after the decision by Barclays Bank to cut its base rate by ¼ point to 9¾ per cent on Monday.

The other leading clearing banks are thought to favour a ½ point cut.

There was some speculation last night that the Bank might have to cut its dealing rates today to cope with a forecast £800m shortage in the money markets.

The authorities seem content, however, to allow market pressure to build up further before sanctioning a fall, and some bankers believe any move might be delayed until early next week.

Kodak aims on telecom

Continued from Page 1

sales of $10.2bn, said Eastman Communications would begin marketing its services in 17 big metropolitan areas by the end of the year and expected "sizeable growth." The division will initially employ 100.

The move into telecommunications represents the latest attempt by Kodak to diversify its product base – so far with only limited success. Yesterday, some Wall Street analysts expressed reservations about the latest move and doubts about whether the new services would prove competitive.

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SECTION II – INTERNATIONAL COMPANIES
FINANCIAL TIMES
Wednesday November 21 1984

Fed relaxes penalties on long-term lending

BY WILLIAM HALL IN NEW YORK

THE FEDERAL Reserve Board (Fed), the lender of last resort to the U.S. banking system, has relaxed the penalties it charges on long-term users of its facilities in a move which will help the troubled Continental Illinois restore its profitability.

In a little noticed move earlier this month, the Federal Reserve announced a "technical modification in its extended credit programme" which covers its lending to banks which have been facing financial difficulties. Normally, banks which borrow funds from the Fed on an extended basis are charged the discount rate, currently 9 per cent, for the first 60 days. For the next 90 days a 1 percentage point surcharge is imposed and beyond 150 days a 2 percentage point surcharge.

Continental Illinois, which suffered a severe run on its deposits earlier this year has been borrowing heavily from the Fed since mid-May and under the old system would be paying 11 per cent for its borrowings. This is more than 150 basis points more than its competitors are paying for funds in the money markets.

To prevent banks such as Continental Illinois being unduly penalised, the Fed has modified its rules. The old rules apply for extended borrowings up to 150 days, but beyond that the Fed has introduced variable market-related rates. The Fed has not disclosed what these rates might be for Continental Illinois, which was borrowing $4.9bn at the end of September, but it is believed to be in the range of 10 per cent to 11 per cent. According to reports, the Fed has indicated that the new rate will not drop below 10 per cent.

U.S. bank 'must lift capital ratio'

BY OUR NEW YORK STAFF

UNION Planters Corporation, the fifth biggest bank in Tennessee, which lost $14.9m in its third quarter and passed its dividend, has been ordered by U.S. bank regulators to increase its capital ratios by nearly a third before the end of next June.

The move comes less than a week after the regulators ordered Bank of America and First Chicago, two of the biggest U.S. banks, to increase their capital ratios substantially. The new requirements are part of an official campaign to force an improvement in the capital ratios of banks facing a weak earnings performance.

Union Planters, which has assets of around $2bn and has recently reshuffled its senior management team, said yesterday that it had reached an agreement with the Comptroller of the Currency and the Federal Reserve Bank of St Louis. This requires the new management to implement revised plans and take other steps to improve profits and capital and more clearly identify longer-range operating strategies.

Under the agreement, Union Planters has to increase its primary capital ratio from the current level of 5 per cent to at least 6.5 per cent by June 30 1985. The bank is also prohibited from paying any dividends

American Can keeps Canadian stake

BY BERNARD SIMON IN TORONTO

AMERICAN CAN expects to make a small fourth-quarter gain on the sale of its wholly owned Canadian packaging unit to a newly formed company led by Onex Corporation, an investment group which includes several leading Canadian financial institutions.

American Can will retain a 20 per cent shareholding in the Canadian company as well as board representation.

The U.S.$198m sale includes 13 plants manufacturing metal food and beverage containers and plastic and laminated tubes. American Can Canada's annual sales are around $250m, and the company employs 2,200 people.

Earlier this year, negotiations to sell the Canadian company to Vancouver-based First City Financial fell through.

According to industry analysts, American Can's market share in Canada has slipped in recent years, partly because of Continental Can's lead in two-piece aluminium cans. Continental sold control of its Canadian subsidiary to a local group 18 months ago.

Onex's shareholders include Royal Bank, Toronto Dominion Bank, Imperial Life and the government-controlled Canada Development Corporation.

It is said that the purchase fits its strategy of taking controlling positions in businesses where strong management, new product development and advanced technology ensure future growth.

Consortium buys Gulf Oil trading division

By Richard Johns in London

AN INDIAN private investment company and a predominantly Saudi-owned bank have joined forces with employees to buy out the bulk of Gulf Oil's trading interests in the wake of the takeover of the company earlier this year by another U.S. major, Standard Oil of California.

Gotco, the new company formed to take over the assets, has been formed by the Hindjua group, an international trading group of Indian origin, Alel Investment Corporation, an affiliate of the Paris-based Saudi European Bank, and a group of employees led by Mr Herb Goodman, president of Gulf Oil Trading, the division involved. F. Eberstadt, the investment bank which organised the buyout, is also taking an equity position in the new concern.

The parties involved declined to disclose the value of the deal, which includes Gulf's 51 per cent share in a joint venture in Taiwan with the Chinese Petroleum Corporation, and its lubricating oil plant there.

The operating profit of the trading division concerned was $120m last year, according to Gulf Oil. The deal covers all the company's former trading activity apart from crude oil involved in its own downstream (refining and marketing) needs and its bunker business.

Gotco will have an exclusive agency to market Gulf lubricating oils outside the U.S., Canada and certain European countries (those not included in the Kuwait Petroleum Corporation's takeovers of the U.S. group's assets in the Benelux countries, Scandinavia and Italy).

Gotco will have the right to operate under the name of Gulf Oil Trading Company for a one-year transitional period.

CBS buys Ziff-Davis magazine for $362m

BY WILLIAM HALL IN NEW YORK

CBS, the U.S. broadcasting and publishing group, is buying Ziff-Davis's consumer magazine publishing operations for $362.5m in cash. The deal covers a dozen of the most popular titles in U.S. consumer publishing, ranging from Popular Photography to Modern Bride.

Ziff Corporation, parent of Ziff-Davis, is owned by Mr William Ziff, aged 53, one of the wealthiest private publishers in the U.S. At the beginning of October, the company announced that it had put most of its magazines up for sale in a move which is being described as the largest auction of magazines in U.S. publishing history.

The CBS deal covers only Ziff-Davis consumer magazines. It also owns another dozen business publications, whose titles range from Meetings & Conventions to the World Aviation Directory.

It is understood that an announcement on the sale of these will be made shortly. The total proceeds from the sale of the consumer and business publications could top $700m.

Mr Ziff is reported to want to sell the bulk of his empire for health reasons. He is regarded as one of the most astute publishers in the U.S. with an instinct for profitable magazine publishing opportunities. The company is retaining its stable of computer magazines.

Mr Thomas H. Wyman, CBS chairman, said yesterday that the sale was a rare opportunity to acquire a "very successful, well-managed business and to meet our strategic goal of significant growth in consumer magazine publishing."

CBS's magazine division ranks second in average circulation and fifth in advertising revenues in the U.S.

Mr Ziff said yesterday that CBS "understands our business and provides our consumer magazines with a happy home. Our goal is to help CBS build the best consumer magazine company in the world."

Tiger International plans to raise $450m

BY WILLIAM HALL IN NEW YORK

TIGER International of the U.S., parent of the world's largest scheduled cargo airline, which defaulted on around half its debt early last year, is planning to raise about $450m in debt and equity.

Tiger International's main subsidiary, Flying Tiger Line, has seen its profits recover sharply in recent months and has filed a registration statement with the U.S. Securities and Exchange Commission providing for a 450,000-unit offering of debt and equity securities.

The units will total $450m principal amount of secured trust notes in Flying Tiger – which are expected to be sold at a discount – 7.5m shares of common stock in the company and warrants to purchase an additional 7.5m shares in the parent, Tiger International.

Paine Webber and Drexel Burnham will underwrite the offering.

U.S. toy retailer improves

BY OUR FINANCIAL STAFF

TOYS "R" US, the major U.S. toy retailer, pushed its third quarter net earnings up from $6.06m or 11 cents a share to $10.3m or 18 cents on sales which advanced from $220.7m to $321.7m.

The improvement brought the nine-month earnings total to $31.5m or 55 cents a share against $18.5m or 33 cents in the corresponding period last year. Sales for the nine months rose from $616.4m to $863m.

The company says it expects to open 40 to 45 new stores next year, entering the UK market for the first time and expanding its operations in Canada.

Hoechst unit completes UK reorganisation

By Andrew Arends in London

BERGER GROUP, the troubled subsidiary of the West German chemicals group, Hoechst, yesterday announced the completion of another reorganisation of its UK operations.

The latest moves involve the division of five Berger subsidiaries into eight separate companies, each with its own management team. However, a new central management team, operating under the name "Berger Britain" and comprising the individual company managers, has been established to co-ordinate activities within the group.

According to Mr Bill Collins, chairman of Berger Britain, the new corporate structure will give the group the advantages of having the resources of a large multinational behind it, while also giving the individual companies the benefits of operating as small separate businesses.

Storage Technology chief steps down

By Paul Taylor in New York

MR JESSE AWEIDA has quit as chief executive of Storage Technology, the troubled Colorado-based computer equipment company which he founded and which filed for protection from its creditors under Chapter 11 of the U.S. bankruptcy code three weeks ago

Mr Aweida, whose brother, Mr Naim Aweida, resigned as president earlier this month, said that he had asked the board to appoint a new chief executive, "in light of the changed environment necessitated by the corporation's filing under Chapter 11." He will remain chairman of the group.

Storage Technology said that it had appointed Mr Thomas Wands, a director of the company since 1979 and a retired senior executive from Sears Roebuck, to fill the president's post and to act as interim chief executive until a new permanent chief executive is found.

Strong profits increase for Electrolux

By David Brown in Stockholm

ELECTROLUX of Sweden, which is to become Europe's largest manufacturer of home appliances through its acquisition of Zanussi of Italy, announced a sharp improvement in earnings for the nine months ending September.

Income after financial items rose 46 per cent to SKr 1.69bn ($196m), with profitability in all business areas ahead. Sales for the first three quarters climbed 11 per cent (adjusted for the sale of units) to SKr 22.27bn.

The group repeated its earlier forecast that full year profits will climb from SKr 1.76bn to SKr 2.4bn.

INTL. COMPANIES & FINANCE

Paul Cheeseright on the careful timing of Soc. Generale and GBL

Rights issues test Brussels Bourse

CAPITAL increases from the two biggest Belgian industrial and financial holding companies are about to test the strength of the Brussels Bourse.

But the rights issue from Societe Generale de Belgique and from Groupe Bruxelles Lambert come as the market has shown signs of edginess. Latterly turnover has been lower and prices have slipped, partly under the influence of Wall Street and partly because of renewed political and economic uncertainty in Belgium.

Societe Generale yesterday offered one new share at BFr 1,550 for every five held to raise BFr 5bn ($83m).

Last week GBL, seeking to raise BFr 6.37bn, priced a one-for-four rights issue at BFr 1,825 a share.

Analysts noted that the market would have found it easier to absorb the issues had they been spaced more widely, yet both companies have plainly calculated that they can benefit from an end-year movement of funds seeking tax deductions.

The so-called Monory law, named after the former finance minister who brought in a similar measure in France in 1978, is still operating and still contributing to the relative strength of the bourse.

It gives tax deductibility of up to BFr 40,000 for investors in Belgian stocks or in six mutual funds designed to purchase Belgian equities. These funds are Fivest, BBL Fonds, Interselex Belga Fund, ES Fonds, Belfund and Hermes. In both 1982 and 1983 half the amount of money placed in these funds came in December.

This is likely to have a stronger impact on Societe Generale than on GBL. Institutional holdings account for only about 15 per cent of Societe Generale issued shares, so its capital increase is dependent on public good will. But for BGL there has already been an informal 60 per cent acceptance of its rights by the Belgian and international financial interests which dominate its shareholding structure.

This year the stocks of both companies have lagged behind the market. The index for the whole market has risen 18.2 per cent.

GBL has probably suffered from the progressive dilution of its shareholdings, although the directors have sought to sweeten the effect of what will be four rights issues in three years by paying higher dividends. Its market rise has been 6.7 per cent.

Societe Generale has been involved in substantial restructuring, most notably by turning Union Miniere into a wholly-owned subsidiary. It has only recently announced its intention to go through a self-imposed limit of BFr 90 for dividends per share. Its market rise has been 8.5 per cent.

Both shares have been looking relatively cheap. The general market price/earnings ratio is about 11, making Belgian stocks, with those of the Netherlands, the highest yielding in the world. The Societe Generale PE is roughly on a level with that of the market as a whole, but that of GBL is less than 8.

Societe Generale de Belgique does not have to face any further significant write-downs, Mr Rene Lamy, the *governor*, told shareholders at an extraordinary general meeting yesterday.

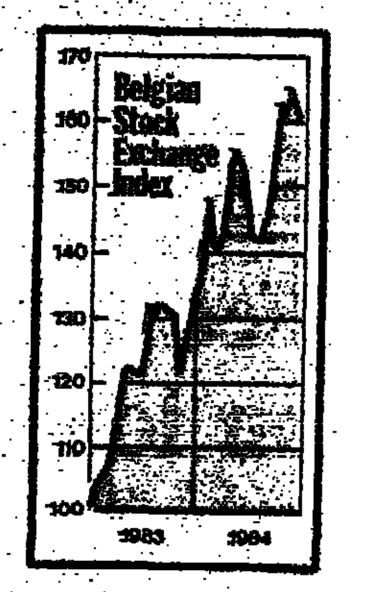
But it is having to make a further provision of BFr 300m for Sybetra, its industrial plant contracting unit, which is having problems handing over a phosphate works to Iraq. Its part in the financial reconstruction of Arbed, the Luxembourg steelmaker, will cost it about BFr 1.6bn.

In the case of Societe Generale, there is a colossal gap between its market value—BFr 1,785 yesterday—and its net asset value of BFr 3,154 a share at the time of the half-year figures.

The gap is less marked for GBL. In July, the net asset value per share was BFr 2,834. The shares closed yesterday at BFr 2,020.

At a time of high liquidity on the financial markets and tax-conscious investors looking for ways of exploiting the Monory law, both the rights issues offer some sort of a haven. But the mutual funds, which attract the greater part of the Monory money, cannot put more than 5 per cent of their assets into one company.

The future for buyers of the shares depends in part on whether the authorities can devise measures to keep investors interested in equities. The bourse started its rise in 1981 before Wall Street, in anticipation of and in response to both Monory and another measure which provided corporate tax incentives for capital raising and higher dividends. This was the Cooremans law, though it expired at the end of 1983.



The bourse itself is seeking to widen its appeal. It is starting next year a secondary market in smaller company stocks. And it plans a strictly controlled options market based on Petrofina, which accounts for 25 per cent of bourse equity trading; Societe Generale; GBL; and, among foreign stocks, Stilfontein, the South African gold miners; and Inco, the Canadian nickel miner.

But brokers believe that, in the light of lower forecasts for Belgian company profits next year, the case is developing for greater concentration on bonds, a process bound to affect Societe Generale and GBL.

State aid mooted for Dutch transmission maker

BY LAURA RAUN IN AMSTERDAM

VAN DOORNE Transmissie, the Dutch automatic transmission maker, jointly owned by Fiat, Volvo, Borg-Warner and the Dutch Government, seems likely to get financial help from the Dutch Economics Ministry in an effort to avoid bankruptcy.

Withdrawal of credit by Amsterdam-Rotterdam Bank three weeks ago, plus the state-owned investment bank's assumption of Van Doorne's patents, has resulted in one creditor applying for a court declaration of bankruptcy. The court has delayed its decision.

Van Doorne, which has absorbed Fl 150m ($44.5m) investment since its inception in 1979, has developed a continuously variable automatic transmission noted for high fuel efficiency and reliability. While other motor groups have developed similar versions of the transmission, Van Doorne's product has been eagerly sought by such major manufacturers as General Motors, Ford and Fuji.

Mr Gijs van Aardenne, the Minister of Economics, is to decide by Friday whether the Government will purchase the 24 per cent stake which Borg-Warner has previously said it wanted to sell. Borg-Warner, the U.S. maker of car components, has asked for Fl 30m for its stake, but has hinted that it would settle for as little as the Fl 15m it put in when the company was established in 1979.

The Dutch Government already owns 40.15 per cent of the Tilburg-based company as a result of its 12.5 per cent direct participation and 27.65 per cent through Volvo Car, an independent subsidiary of Volvo of Sweden, in which the Dutch Government owns 70 per cent. Another 24 per cent stake is held each by Fiat of Italy and by Borg-Warner, while the remaining 11.85 per cent is held by Volvo through Volvo Car.

European airlines see profits jump

By Michael Donne, Aerospace Correspondent

EUROPEAN airlines collectively are forecasting a net profit for 1984 of about $690m, based on the results for the first nine month of this year.

This compares with profits of only $190m last year, a period during which most airlines outside Europe incurred a collective loss of $500m.

Mr Karl-Heinz Neumeister, secretary-general of the 20-member Association of European Airlines, said that profit margins nevertheless remained thin "and it would be premature to assume we have recouped all our losses from previous years."

He added "Couple with this the continued economic uncertainty in some key markets, and the business of accurate forecasting becomes extremely difficult."

ENI pipelaying unit's issue makes steady start

BY ALAN FRIEDMAN IN MILAN

THE largest new issue brought to the Milan bourse — a L124.5bn ($67m) offer which privatises 20 per cent of Saipem, the oil and gas pipelaying group — got off to a respectable, though lukewarm, start yesterday. The 30m shares, offered at L4,150 per share, closed at L4,207.

The privatisation of 20 per cent of Saipem, which is part of ENI, the state energy group, has generated considerable excitement in recent months. The bulk of the shares was purchased by institutional investors, among which French institutions were the most prominent, followed by U.S., British and West German investors.

Only around 100,000 shares changed hands yesterday. Brokers in Milan suggested that the actual trading debut was an anti-climax, because most institutions had decided to take a medium to long-term view.

Under the new share structure, ENI retains 48 per cent of Saipem, while two other ENI companies, AGIP and SNAM, each hold 16 per cent. The largest single new shareholder turned out to be the United Nations Joint Staff Pension Fund, which has bought 1.13 per cent of Saipem.

Italy's state-controlled Banca Nazionale del Lavoro was the second largest taker of the new issue, followed by several other banks.

The issue price of L4,150 represented a premium of 11 per cent over the net asset value of Saipem shares on a book basis. But a Saipem official said the actual aset value of Salpem shares was nearly double the new issue price.

Strong advance at Veba

BY PETER BRUCE IN BONN

VEBA, the West German diversified energy and industrial group, yesterday reported net profits of DM 325m ($108.7m) for the first nine months of this year—a 45 per cent increase on 1983.

The company's performance so far will probably enable it to increase dividends above the DM 7.50 per DM 50 share paid last year.

The group, West Germany's biggest industrial concern, has, however, posted only a 3.4 per cent rise in turnover.

The chemical division is expected to pay dividends to the parent this year. Electric power operations have risen by 7.3 per cent.

With the completion of a number of power and chemical projects last year, total investment for the first nine months of 1984 has fallen by DM 296m to DM 1.34bn. Veba is still engaged, however, in a DM 2.5bn programme to fit its power stations with environmental controls by 1988.

Record payout from Siemens

By John Davies in Frankfurt

SIEMENS, the West German electrical and computer company, is raising its dividend sharply to DM 10 per nominal DM 50 share—the highest it has paid since the Second World War.

With sales and earnings buoyant, it has decided to end a 12-year period of dividend stability, during which it paid DM 8 a share.

In an interim statement yesterday, Siemens said worldwide sales rose by 16 per cent to DM 45.8bn ($15.3bn) in its year to September 30.

Sales abroad were up 5 per cent at DM 23.2bn, while sales in West Germany rose by 31 per cent to DM 22.6bn, boosted by the final settlement for two nuclear power plants.

Siemens has not yet disclosed its profits, but an executive said the company had a "good year."

At the nine-month stage to June 30, Siemens had earned net profit of DM 642m, 19 per cent ahead of a year earlier.

Siemens earned net profit of DM 802m in 1982-83 and distributed DM 351m in the form of dividends, most of the rest going into reserves.

Standard Chartered Bank posts

STANDARD CHARTERED BANK has made the following senior appointments, all effective from December 1: — Mr Gordon James, general manager, is promoted to senior general manager to assume responsibility for group credit policy on the retirement of Mr George Lovell. Mr John Richards, controller technical services division is promoted to deputy general manager. Mr Michael Brown, chief manager in Singapore, is promoted to the new post of area general manager in Singapore. In addition to Singapore, Mr Brown will also have responsibility for the bank's operations in Indonesia and Negara Brunei Darussalam. Mr Peter Cameron chief manager in Malaysia, is promoted to the new post of area general manager in Malaysia. In addition to Malaysia, Mr Cameron will also have responsibility for the bank's operations in Thailand.

*

Mr Richard Willan has been appointed managing director of CHRISTIE-TYLER. He was assistant managing director. He succeeds Mr George Williams who was previously chairman and managing director and who remains executive chairman.

*

Mr J. F. McLelland has retired as chairman of A. BROWNLEE. He joined Brownlee in 1938, was appointed a director in 1958 and became chairman in 1980. Mr R. B. Jack, a non-executive director since 1974 has been appointed non-executive chairman. The functions of chief executive have devolved on Mr A. M. Nicol who continues to combine the offices of managing director and deputy chairman. Mr McLelland remains non-executive member of the board.

*

Mr Michael Holmes, managing director of Good Relations Advertising, has been appointed to the board of GOOD RELATIONS GROUP. Mr Roy Gilmore Kerr has been promoted to the board of Good Relations Advertising.

*

Mr Ray Blackwell has been appointed managing director of HARTMANN AND BRAUN (UK), part of the Mannesmann Group.

*

Mr Peter McNelly has been appointed to the joint posts of finance director and company secretary of the HUGIN GROUP. He was finance director of Royal Worcester.

*

Following the recent management buy-out at THOS. STOREY, Mr Ronald G. Hooker has joined the board and has been appointed chairman. He is chairman of Dubilier and of Henry Sykes, and an industrial adviser to Hambros Bank.

*

RALPH M. PARSONS CO has appointed Mr Leonard J. Pieroni as managing director. He succeeds Mr Marvin R. McClain, who has returned to the Parsons Corp. California-based parent company, for reassignment in the U.S.

*

Mr Roger Wood has been appointed to the ICL (UK) board as its first sales director. He was director of ICL's UK south east region.

*

Mr William George Hadfield has been appointed general sales manager and director designate of WAVIN INDUSTRIAL PRODUCTS. He was sales director for TSL Thermal Syndicate, where he was also joint managing director of the German subsidiary company.

*

WYETH LABORATORIES (UK) has appointed Mr Neil Appleton as managing director. Long associated with the Sterling Winthrop Group, Mr Appleton was until recently president of ethical operations and chairman of Winthrop Laboratories, Sterling Research Laboratories and Sterling Winthrop (Ireland).

*

Following the death in May of Mr Chaim S. Schreiber, the founder of SCHREIBER FURNITURE, and its chairman and managing director, Mr David A. Schreiber has succeeded his father as managing director and Mr Dennis H. Thomas, financial director, has been appointed chairman.

Marginal midterm fall at Kubota

By Our Financial Staff

KUBOTA, Japan's leading agricultural machinery manufacturer, suffered a 3.9 per cent fall in net profits to Y6.44bn ($26.4m) in the six months to October 15. Earnings per share were Y4.78 compared with Y4.99 for the same period of 1983.

Sales rose by 2.2 per cent to Y375.6bn and pre-tax profits were just 0.6 per cent higher at Y12.83bn.

Kubota has maintained its interim dividend at Y3.75 a share, and plans to hold the total for this year.

The company said the drop in first-half net profits was due to a 1.3 per centage point increase in the corporate tax rate. Corporate and other taxes rose 5.6 per cent to Y6.39bn in the period.

Exports fell by 12.7 per cent to Y59.79bn in the half while domestic sales increased by 7.4 per cent to Y215.8bn.

Sales rose in all product categories except pipes, which fell by 17.5 per cent to Y69.47bn or 25 per cent of all sales due almost entirely to weak exports.

Agricultural and construction machinery sales rose by 10.7 per cent to Y131.86bn and other machinery sales by 23.9 per cent to Y34.11bn.

Kubota has raised its net profits forecast for the full year to Y14bn from the Y13bn forecast at the start of the year. The projected total would be a record for the company, and would represent a 7.7 per cent increase on 1983-84.

The company has lowered its sales forecast to Y589bn, a 2.5 per cent increase on 1983-84, from the earlier forecast of Y590bn, but has left its pre-tax profits projection at Y27bn, a rise of 2.6 per cent.

MoF puts brokers' case to the Bank of England

BY JUREK MARTIN IN TOKYO

THE JAPANESE government appears to have assumed responsibility on behalf of the country's leading security houses in negotiating with the Bank of England to obtain UK banking licences.

In an interview yesterday, Mr Setsuya Tabuchi, president of Nomura Securities, Japan's largest brokerage house, said that his company was no longer dealing directly with the Bank of England on this sensitive bilateral issue and that the Ministry of Finance (MoF) was, in effect, now acting on its behalf.

British officials here concurred with Mr Tabuchi, adding that in last month's negotiations in Tokyo between the two governments, the MoF had made clear its official interest in the cause of the Japanese brokers in London, just as the UK side had raised the stakes by declaring its interest in greater access in Tokyo for British financial institutions.

The abandonment of Nomura's individual application to the Bank of England—which included a request that its Dutch banking subsidiary be awarded a banking licence—and the formal elevation of the subject to purely government-level negotiations marks a new stage in what has been a lengthy process.

Mr Tabuchi insists that the MoF is backing Nomura's application, arguing that as far as the ministry is concerned, Nomura qualifies as a bank.

It is this issue that goes to the heart of the matter. According to British officials here, it remains unclear if the MoF and Nomura — and by extension other Japanese securities houses — have achieved an accommodation with their home regulatory authority, which would satisfy Bank of England requirements.

In very broad terms, these requirements are that a foreign non-bank may obtain a UK deposit-taking licence only if it subjects itself to normal banking supervisory criteria in its home country. The snag for the Japanese securities houses is that in Japan brokers are banned from banking for the most part, and are thus subject to different regulatory criteria.

The MoF, according to some reports, is expecting that two Japanese brokers will get their UK licences shortly and two more not long afterwards. This, in the Japanese view, will be the British quid pro quo for the MoF's granting full branch status in Tokyo to three UK institutions, W. I. Carr, Kleinwort Benson, and S. G. Warburg.

But British officials deny that any such a bargain exists. They insist that the question of UK banking licences can only be considered under UK banking laws and practices.

Austral Enterprises to expand

BY WONG SULONG IN KUALA LUMPUR

ISLAND AND PENINSULA, the major Malaysian property and plantation group, has announced a rationalisation scheme for Austral Enterprises, its listed subsidiary, that would turn it into a major plantation company.

Under the scheme, Austral will buy three estates more than doubling its plantations from 21,000 acres to 46,000 acres. The paid-up capital of Austral would also be increased from 17.5m ringgit (US$7.3m) to 41.3m ringgit and net tangible assets from 27m ringgit to 112m ringgit.

The three acquisitions are the 5,700 acre Kok Foo estate from I and P itself, 17,000 acres in Pahang state from the Pahang government, and a 2,600 acre estate in Gurun in Kedah state.

Austral will pay a total of 85m ringgit for the acquisitions to be met partly through the issue of 23.86m new shares valued at 3.2 ringgit each

On completion of the exercise, I and P would own 58 per cent of Austral and the Pahang government will also be a substantial shareholder.

Austral is the latest plantation company yet to undergo rationalisation and expansion. Other major plantation reconstruction exercises this year include Kuala Sidim under Boustead Holdings, and the recent deal between Kuala Lumpur Kepong and Permodalan Nasional in which the latter gained control over Highlands and Lowlands, which has 72,000 acres of plantations, in exchange for a 30,000 acres plantation company for KLK.

● Island and Peninsular and Fletcher Construction of New Zealand have agreed to form a joint venture company to undertake construction activities.

AP-DJ adds from Singapore

The new company, to be 51 per cent owned by Island and Peninsular, is not expected to have much immediate impact on earnings but with an expected upturn in the Malaysian economy, it should enhance profitability in the medium term, Island and Peninsular said.

Doubled interest hits profit at Premier

By Jim Jones in Johannesburg

PREMIER GROUP, South Africa's largest diversified food company, experienced increasingly difficult trading conditions in the six months ended September 30 1984 and its management is not optimistic of an early improvement.

The group's pre-tax profit fell from R53.6m to R45m having been adversely affected by a virtual-doubling of its interest bill to R35.7m from R18.9m, and Premier intends to reduce its debt exposure. At the end of September medium- and long-term borrowings totalled R32.3m.

First-half turnover rose by 8.4 per cent to R1.17bn ($654m) from R1.08bn in the corresponding period of 1983. Trading profits before dividend income and tax and interest payments rose by 11.9 per cent to R68.5m. In the year to March 31 turnover totalled R2.02bn and the trading profit was R127.1m.

Continued weakness in consumer spending and high interest rates are expected to combine to reduce the current financial year's earnings below the 214.5 cents a share of last year. First-half earnings fell to 66.9 cents a share from 87.5 cents and an unchanged interim dividend of 32 cents has been declared.

Downturn at Argus Printing

By Our Johannesburg Correspondent

EARNINGS AT Argus Printing and Publishing, the South African newspaper group which publishes the Star, the Argus, the Sunday Tribune, and the Sunday Star, for the six months ended September, fell to 432 cents a share from 766 cents.

First-half turnover, however, rose to R287.5m from R233m in the seven months to September 1983. This was largely due to the consolidation of printing company Hortors—returns from which offset the lower revenues and operating profits of the group's newspaper interests.

First-half operating profits before interest and tax increased to R19.7m from R18.7m. In the thirteen months ended March turnover was R592.8m and operating profit R54.9m.

The directors say that a sharp fall in advertising demand reduced newspaper revenues and they warn that this year's earnings will be lower than last year's. The company is caught in a circulation and advertising war with South African Associated Newspapers (SAAN), its only English-language competitor.

A R18m rights issue is planned to finance the acquisition of a 20 per cent interest in a company publishing commercial directories.

An unchanged interim dividend of 125 cents has been declared. In the last full financial period earnings were 1,214 cents a share and a dividend total of 375 cents was paid.

Japan announces rules for overseas CD issues

TOKYO — Japan's Ministry of Finance has announced rules for foreign banks abroad and for overseas branches and subsidiaries of Japanese banks to issue from December 1 Euroyen certificates of deposit (CD's) with maturities of up to six months.

Foreign banks outside Japan will have to obtain a ministry licence for their first Euroyen CD issue and this will remain valid for further issues.

Licences are required under the Japanese Foreign Exchange Control Act but will be granted automatically.

Overseas branches and subsidiaries of Japanese banks and securities houses will also have to apply to the ministry before issuing CDs and will also receive automatic approval.

All Euroyen CD issues will also remain subject to approval by the authorities in the market where the issue is planned.

Unlike the domestic yen CD, the minimum denomination of which is Y300m ($1.23m), the minimum for each Euroyen CD will be in line with local limits, and each bank's total issue ceiling should also conform to local standards, said ministry officials.

Neither Japanese banks nor branches of foreign banks in Japan will be allowed to issue Euroyen CDs domestically as the ministry prohibits Euroyen CDs from being sold in the Japanese market.

The issue of short-term Euroyen CDs is one of the Japanese commitments agreed in the U.S.-Japan yen/dollar talks last May.

● The balance of shares bought on credit in Japan increased for the fifth consecutive week last week due to brisk buying of stocks by individual investors against the backdrop of a steady recovery of the Japanese economy, the Tokyo Stock Exchange said.

Margin trading on Japan's three largest markets rose to Y2,790bn ($11.48bn), surpassing the record of Y2,780bn registered in May.

Agencies

NOTICE OF REDEMPTION

To the Holders of

Grolier International, Inc.

8¾% Guaranteed Debentures Due December 15, 1986

NOTICE IS HEREBY GIVEN pursuant to the provisions of Section 3.05 of the Indenture dated as of December 15, 1971 between Grolier International, Inc. and Morgan Guaranty Trust Company of New York as Trustee, that United States Trust Company of New York as Successor Trustee, has drawn by random selection $559,000 aggregate principal amount of the Grolier International, Inc. 8¾% Guaranteed Debentures Due December 15, 1986 for redemption by the Sinking Fund on December 15, 1984. The Debentures to be redeemed are as follows:

COUPON BEARER DEBENTURES WITH PREFIX M

$1,000 Denominations Called In Full

8	1556	1790	2201	3093	4084	5801	8781	11214	11799	13151	13508	13805	14227
15	1560	1800	2216	3101	4097	5804	8966	11216	11801	13156	13511	13807	14233
20	1565	1838	2219	3106	4120	5812	8973	11223	11815	13160	13515	13811	14257
1191	1566	1843	2709	3117	4268	5834	8978	11225	11817	13265	13523	13816	14261
1193	1568	1857	2717	3120	4642	6015	8981	11234	11819	13271	13525	13823	14268
1208	1571	1869	2756	3124	4643	6096	8983	11239	11824	13277	13530	13825	14270
1214	1572	1880	2758	3129	4653	6108	9036	11246	11832	13279	13533	13831	14275
1225	1578	1906	2767	3135	4657	6112	9046	11252	11833	13287	13544	13833	14283
1234	1584	1926	2771	3139	4678	6115	9052	11257	11838	13292	13547	13837	14286
1342	1586	1937	2815	3149	4686	6119	9066	11259	11908	13299	13550	13839	14299
1346	1590	1941	2819	3160	4721	6120	9070	11268	11978	13304	13556	13845	14309
1351	1594	1943	2824	3179	4726	6166	9082	11274	11984	13315	13559	13901	14313
1370	1597	1969	2831	3182	4731	6284	9085	11281	11988	13322	13650	13930	14318
1381	1601	1970	2838	3191	4737	6364	9090	11282	11992	13329	13655	13942	14325
1384	1603	1974	2844	3195	4739	6472	9094	11288	11996	13335	13660	13949	14334
1390	1618	1994	2855	3199	4742	6479	9169	11289	12001	13345	13665	13952	14341
1395	1622	2001	2856	3203	4746	6535	9187	11394	12007	13350	13669	13996	14350
1400	1623	2006	2872	3208	4758	6540	9191	11399	12012	13359	13672	13999	14353
1403	1627	2014	2882	3339	4762	6598	9567	11400	12019	13367	13674	14007	14373
1413	1628	2016	2884	3347	4766	6627	9622	11408	12023	13373	13683	14009	14383
1414	1654	2020	2893	3364	4768	6688	9636	11409	12026	13380	13687	14018	14387
1421	1655	2022	2902	3370	4772	6690	10082	11432	12032	13382	13694	14026	14393
1426	1660	2031	2911	3372	4774	6735	10232	11480	12034	13387	13699	14034	14402
1433	1661	2040	2920	3378	4777	6897	10374	11495	12036	13393	13713	14036	14408
1438	1666	2046	2928	3381	4783	7253	10377	11511	12042	13398	13719	14041	14416
1441	1671	2053	2941	3389	4786	7262	10382	11515	12796	13400	13721	14045	14435
1445	1672	2059	3006	3399	4788	7466	10574	11542	12859	13404	13726	14054	14456
1455	1676	2064	3010	3404	4794	7472	10578	11612	12864	13410	13731	14069	14472
1468	1682	2077	3014	3566	4919	7481	10594	11737	13062	13437	13734	14073	14491
1483	1685	2084	3021	3576	5241	7492	10602	11741	13068	13442	13736	14079	14671
1489	1690	2085	3028	3579	5253	7700	10625	11743	13075	13453	13743	14086	14701
1498	1697	2101	3029	3580	5302	7828	10831	11750	13087	13461	13747	14088	14723
1501	1704	2126	3035	3756	5315	7836	10843	11758	13094	13462	13752	14090	14739
1510	1723	2134	3038	3763	5334	7906	10647	11762	13097	13466	13756	14097	14761
1514	1730	2135	3044	3869	5389	8127	10854	11771	13104	13474	13762	14109	14769
1526	1733	2139	3055	3900	5479	8240	10934	11774	13110	13482	13769	14120	14785
1531	1740	2140	3061	3975	5726	8245	11200	11777	13120	13484	13777	14126	14800
1540	1741	2161	3073	3979	5733	8311	11204	11782	13126	13489	13782	14138	14808
1546	1780	2181	3076	4012	5791	8769	11206	11786	13132	13492	13790	14155	16959
1552	1789	2187	3085	4017	5796	8775	11211	11794	13149	13502	13800	14158	

Accordingly, on December 15, 1984 the principal amount of the Debentures or portions thereof so designated for redemption will become due and payable at 100% of the principal amount thereof together with accrued interest to December 15, 1984 and must be presented at the office of Morgan Guaranty Trust Company of New York, 30 West Broadway, New York, New York 10015, Attn: Corporate Trust Department, 13th Floor, the main office of Morgan Guaranty Trust Company of New York in Brussels, the main offices of Morgan Guaranty Trust Company of New York and Commerzbank Aktiengesellschaft in Frankfurt am Main, the main office of Morgan Guaranty Trust of New York in London, the main offices of Morgan Guaranty Trust Company of New York and Credit Lyonnais in Paris, the main office of Morgan Guaranty Trust Company of New York in Zurich, the main offices of Banca Morgan Vonwiller S.p.A. and Banco di Roma in Milan, the main office of Banca Morgan Vonwiller S.p.A. in Rome, the main office of Bank Mees & Hope N.V. in Amsterdam, and the main office of Credit Lyonnais S.A. in Luxembourg for payment and redemption. From and after December 15, 1984, interest on the Debentures or portions thereof so to be redeemed will cease to accrue. Coupons maturing December 15, 1984 or prior thereto should be detached and presented for payment in the usual manner.

GROLIER INTERNATIONAL, INC.
By: **UNITED STATES TRUST COMPANY OF NEW YORK,**
Successor Trustee

Commencing January 1, 1984 under the federal law, we will be required to withhold 20% of any gross payments to holders who present their Bonds for payment in New York, New York and fail to provide us with a certified taxpayer identifying number (employer identification number or social security number, as appropriate) on or before the date debentures are presented by them directly to the Paying Agent for redemption. Holders will also be subject to a penalty of $50 for such failure. Please therefore provide a certified taxpayer identification number when presenting your notes for redemption.

Dated: November 15, 1984

$50,483,224,375 Treasury Receipts

TRs are receipts that represent the future interest and principal payments on underlying United States Treasury Bonds deposited with a custodian bank. These interest and principal payments are direct obligations of the United States of America.

- ***Coupon TRs*** represent ownership of semiannual interest payments.
- ***Principal TRs*** represent ownership of principal payments.
- ***Callable TRs*** represent ownership of principal payments due when the Treasuries are first callable along with the subsequent interest payments.

TRs are listed on the Luxembourg Stock Exchange.

Since the introduction of TRs on January 11, 1984, the undersigned and others have originated a total face amount of $50,483,224,375. We continue to originate TRs and make active secondary markets.

The First Boston Corporation **Goldman, Sachs & Co.** **PaineWebber** Incorporated

Bankers Trust Company **Morgan Stanley & Co.** Incorporated **Bear Stearns & Co.**

Dean Witter Reynolds Inc. **Drexel Burnham Lambert** Incorporated

Belvedere Securities **Moseley, Hallgarten, Estabrook & Weeden Inc.**

UK COMPANY NEWS

Metal Box innovation tempts Coca-Cola

Metal Box is currently looking at a number of acquisitions both at home and abroad, and is preparing to test market a new plastic can which has attracted "very real interest" from Coca Cola, the world's largest soft drinks company.

Mr Denis Allport, group chairman, unveiling higher interim profits said yesterday, "we are working hard on ways and means to expand our business."

Metal Box, he said, now had a much stronger balance sheet and had the capability of making "a not immaterial acquisition" within its own strength.

Group taxable profits for the six months to end-September 1984 rose from a pro-forma £30.3m to £31.7m, but Mr Allport warned that the scope for increasing levels of profitability in the second half of the year may be limited because of uncertainties in trading conditions in the UK.

"The economic outlook is uncertain," he said, and added that "growth prospects in this conutry are by no means buoyant." Also, he said, "we are very much related to consumer expenditure and it is difficult to see real buoyancy developing."

In the longer-term, however, the chairman said that there were opportunities for profit improvement arising from results of new market and product developments, continued capital expenditure, and rationalisation and reorganisation programmes.

In conjunction with PLM, the Swedish-based can maker, Metal Box is working on the polyethylene terephtalate (pet) plastic can and is putting up a pilot plant close to Atlanta, Georgia, in the U.S.

Coca Cola, said Mr Allport, "is showing very real interest. There will be test marketing next year. This project," he added, "could be very big indeed."

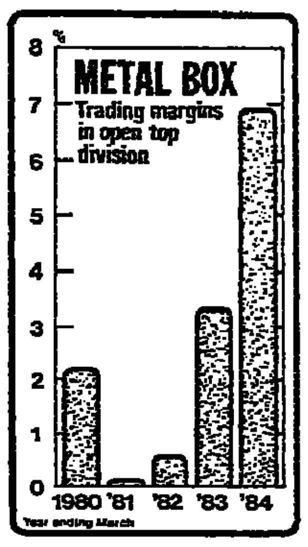
He added that there were a number of other things, such as much smaller PET bottles, where the group felt it had "very significant developments," he commented that "there are many areas where plastic will take the place of glass."

The company was also working on a "Lampac" laminated plastic container for food capable of being put in an oven and on plastic "cans" for food.

Shareholders will receive a higher interim dividend of 6.1p, against 5.81p, which is covered more than five-fold by stated earnings per share some 24 per cent higher at 33.4p compared with last year's pro-forma 27p. Reported earnings for the 1983 interim period were 25.4p.

Metal Box's results for the period under review take account of the restructuring of the ownership of its assets in South Africa effected during the second half of 1983-84. In order to facilitate a comparison, the company has included a set of pro-forma results. Reported taxable profits for the first half of 1983 were £34.5m.

Mr Denis Allport, chairman of Metal Box



As expected, the first half saw further improvements in Metal Box's earnings in the UK stemming from the group reorganisation and recent capital expenditure.

Operating efficiency "continued" to improve with the result that trading profits from UK packaging operations rose by £8.2m to £20.9m.

Within this operation, food and beverage packaging listed its contribution from £9m to £13.9m, while the general packaging business recovered from an "unsatisfactory" £3.6m last year to £5.7m. Trading conditions for caps and closures remained difficult, although profits were better at £1.3m against £0.1m.

"Significant improvements" were achieved by the engineering division, which increased its trading profits to £1.8m, and by Stelrad, where profits rose from £3.6m to £4.5m.

Overseas, adverse trading conditions were experienced in Africa. The two Nigerian businesses together incurred a loss before tax of £3.0m compared with a profit of £4.6m.

The downturn was principally due to a shortage of orders for the glass company and of licences to import essential tinplate and other raw materials for the metal business. It is not practical at this stage to indicate the profit outlook in Nigeria, the directors state.

Group turnover, compared with the pro-forma figures, was virtually unchanged at £560.7m (£561.2m). Making allowance for the inclusion in 1983 of an additional three months sales from U.S. operations, and excluding entirely the sales of the Nigerian companies which were "Exceptionally depressed" this time, the remaining businesses showed a 9 per cent sales increase.

Operating profits amounted to £39.1m (£34.3m pro-forma).

Tax took £7m (£9m), leaving the net balance at £24.7m (21.3m). Minorities added £0.6m (took £0.9m) and extraordinary debits totalled £7.7m (£14m) — the company says that there has been a continued requirement to reduce production capacity in some limited areas of activity in line with changed market demands.

See Lex

Akroyd falls £6.7m but Mercury holds steady

PROFITS BEFORE tax of stockjobber Akroyd & Smithers fell by £6.69m to £9.4m in the year to September 28 1984. Some £5m of the fall came in the second six months.

Mr B. K. Peppiatt and Mr T. F. Jones, joint chairmen, say the results were very much in line with the estimate published in the documents relating to the proposed merger of Akroyd Mercury Securities Rowe & Pitman and Mullens & Co.

Trading in the current year to date has been satisfactory.

Earnings for 1983-84 dropped from 51.9p to 26.4p per 25p share but a final dividend of 12.5p holds the net total at 16.5p on the enlarged capital.

Tax for the year was reduced from £7.76m to £3.7m and left net profits at £5.7m, compared with £8.33m.

In the merger documents, the directors of Mercury Securities, the parent company of merchant banker S. G. Warburg, estimated that the results of Mercury and its subsidiaries for the six months to end-September 1984 were level with those of the corresponding period of the previous year.

They announced yesterday, however, that group profits for the six months to September were ahead of those for the same period of the previous year.

The profits do not include the consolidated gain on the disposal of Mercury's wholly-owned subsidiary, MPA (Holdings), which amounted to some £10m after tax.

Mercury Securities, Akroyd, Rowe & Pitman (stockbroker) and Mullens & Co (Government broker) have agreed terms for a merger under which they would exchange their shares and interests for shares in a new holding company, Newco (1984).

Acceptances of the offers for the fully paid and unrestricted shares of Mercury and the ordinary shares of Akroyd have been received in respect of over 90 per cent of Mercury's share capital and over 94 per cent of the shares in Akroyd bid for.

These Akroyd shares, together with the 6.82m which Newco has agreed to acquire from Mercury, represent over 95 per cent of Akroyd's issued ordinary capital.

In due course arrangements will be made to acquire the outstanding shares in the two companies.

The offers remain subject to certain Takeover Panel conditions.

Readicut restores interim after sharp advance to £0.9m

TAXABLE PROFITS of **Readicut International**, maker of specialist textile products, showed a substantial increase from a restated £499,000 to £903,000 in the half year to September 30 1984 and Professor Roland Smith, the chairman, says he has no reason to be less than confident about the outcome for the full year.

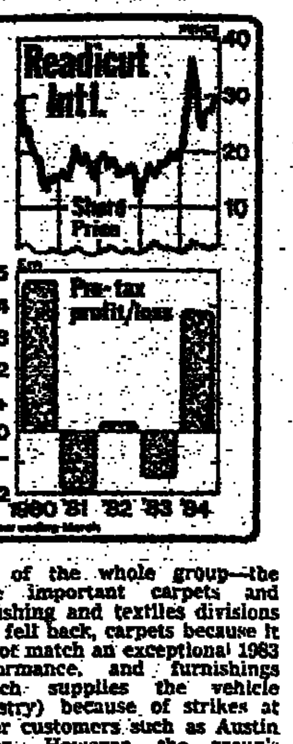
After a four-year absence, the interim dividend is being restored with a payment of 0.15p net—last year's single final was 1.2p on £3.77m pre-tax profits.

Turnover for the period was 7 per cent higher at £50.47m (£47.05m) and with continuing loss elimination and tighter control of expenses, the trading surplus improved by 27 per cent to £1.78m (£1.4m).

Tax charge was £41,000 higher at £191,000 and extraordinary items took £126,000 (£153,000) leaving a net available balance of £586,000, against £198,000. The interim dividend absorbs £115,000 (nil).

Earnings per 5p share more than doubled from 0.43p to 0.9p.

Comparisons have been restated to reflect the change in the treatment of exchange rate differences effected in the full year's accounts.



● comment

Readicut International has stopped publishing a divisional breakdown with its interim figures, following the arrival of the new chairman Professor Roland Smith. But it is clear that the biggest contribution to the improvement comes from loss reductions at the group's rug-kit business and in yarns and fibres. These are, however, now a small part of the whole group—the more important carpets and furnishing and textiles divisions both fell back, carpets because it cannot match an exceptional 1983 performance, and furnishings (which supplies the vehicle industry) because of strikes at major customers such as Austin Rover. However, the group's immediate and longer-term future rests squarely on these two divisions, given the decline in the fashion for rug-kit-making. For the year Readicut, which traditionally makes most of its profits in the second half, should make £4.5m pre-tax. This puts the shares, down 2½p to 27p, on a p/e of just under seven, assuming a 30 per cent tax charge. They are fairly valued.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Akroyd & Smithers	12.5†	Feb 8	12.5	16.5	16.5
A. F. Bulgin ......int	0.58	Dec 17	0.58	—	1.35
Chapman Inds ......int	3.3	Jan 25	2.2	—	8
Diploma	7.5	Jan 10	6	10	7.5¶
Fashion & Gen	4.4	—	7	9.4	12
Gartmore Amer Secs int	0.6	—	0.6	—	2
H.A.T. Group ......int	1.8	Feb 27	1.65	—	3.3
C. E. Heath ......int	6	Jan 3	5.25	—	17
Marlborough Prop ... int	0.2	Dec 21	0.2	—	0.5
Metal Box ......int	6.1	Jan 14	5.81	—	15
New Court Trust	10.13	—	9.63	14.25	13.75
N. American Trust	4.6	—	4	6	5.4
Readicut Intl ......int	0.15	Jan 4	nil	—	1.2
SPRAIT ......int	0.3	Dec 31	—	—	‖
Young's Brewery ......int	3	Dec 7	2.5	—	5.5

Dividends shown pence per share net except where otherwise stated.

* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM stock. § Unquoted stock. ¶ For 15 months. ‖ Total of 0.595p net forecast, against prospectus projection of 1.05p net.

Electronics lift Diploma to £16m

THE SURGE at the electronic component division of **Diploma** has continued throughout the year ended September 30 1984, and has boosted the group pre-tax profit to £16.3m. This compares with £11.8m for the previous 15 months or with £9.4m on an annual basis. The final dividend is 7.5p to lift the total to 10p net, from 7.5p actual or 6p per annum.

Prospects for the current year remain good overall, the directors state. They do stress, however, that the electronic components side could show some slowdown after two years of very substantial growth; but believe over the next few years growth of demand for these components should outpace most industrial sectors.

The performance from electronic components was outstanding, with turnover at £57m and profits at £12m against annual rates of £34m and £5.5m respectively, and an actual profit of £6.8m for the previous period. Market conditions were "quite exceptional" with demand at near saturation levels during most of the year, product was generally in short supply and forward planning in increasing stocks "paid off handsomely." Margins were unusually high and will not be repeated.

Although book to bill ratios within the industry are now said to be negative with cancellations and rescheduling taking place, the group's own overall figure for the past few months indicate parity and additionally it retains a strong order book.

The performance of Macro-Marketing "was superb." Its unique length and breadth of semi-conductor inventory brought a deluge of inquiries.

After tax £7.6m (£5.5m) and minorities £700,000 (£300,000), the net profit for the year came to £8m (£6m actual) for earnings of 30.5p (22.9p) per share. There are also extraordinary credits of £1.4m (£100,000) net of tax. It is proposed to subdivide the 10p shares into 5p shares.

● comment

That Diploma's announcement provoked a 12p fall in its share price to 440p is a comment not on the company's reported performance but on its immediate prospects. The UK electronics industry is anxiously waiting to see if a cyclical decline is on the way, and, if it is, how severe it will be. And while the industry waits, the City's view of component suppliers in general — and of Diploma in particular—will inevitably be cautious. Diploma is more highly geared to the demand cycle than rivals like Farnell or Electrocomponents since a higher proportion of its products are in active electronic components. In this context the company's comments about slower growth have an immediate effect on the stock market. Assuming pre-tax profits in the current year of £18m-£20m, and a 42 per cent tax charge, the shares trade at a p/e of just over 10. They should not get much cheaper relative to the market, since the industry has probably learnt enough from the last boom/bust cycle to even out some of the impact this time around.

Life company raising £200m for mortgages

London and Manchester Group, a medium sized life company, has broken new ground in fund raising to finance its house mortgage lending.

The company is raising a £200m syndicated loan payable over seven years from around two dozen banks and finance houses headed by merchant bankers, Samuel Montagu. The interest rate is a floating one of ⅛ per cent over six month interbank rate, a current cost of about 10½ per cent.

Life companies are becoming increasingly involved in the mortgage market as direct providers of funds. It is a major source of new life business for them using an endowment contract to repay the mortgage as a condition of the loan.

However, very few use their own life funds as a source of mortgage finance. Not only is the yield lower than on gilts, but banking institutions seem only too willing to make money available for house mortgage purposes, using the life company sales structure as the marketing outlet.

L & M has some £50m already in house mortgages from previous funding arrangements, besides a modest residue from the time when it lent its own money — a practice ended two years ago.

Although L & M, unlike many other life companies, is still doing a good level of business from building society connections, it feels that the house mortgage market is expanding at such a rapid pace that sophisticated financial arrangements are necessary to keep up with the development.

The existing £50m will be refinanced from the new loan, with the remaining money being used for new mortgages. Existing borrowers will not be directly affected by the refinancing. L & M charges a variable rate, currently 13 per cent. But this is due for revision in the light of the new loan arrangements.

UK COMPANY NEWS

Receiver called in at Associated Telecommunications

BY RAY MAUGHAN

Associated Telecommunications and a part of **Chadwick Investments**, the group's office equipment activities, yesterday went into receivership. Lloyds Bank has appointed Mr Alastair Jones from the Birmingham office of Peat Marwick Mitchell as receiver and manager.

The receivership does not cover North Wales Trust, the instalment credit offshoot, or either Portsmouth Finance Corporation or Office Equipment House.

Associated Telecommunications was created in August last year by Mr Ronald Shuck, then also chairman of construction and development group, Espley Trust, as various office equipment businesses and the finance division were injected into what was then known as Associated Tooling Industries.

The receiver also disclosed yesterday that he has been appointed to Consult International, a company controlled by Mr Shuck. Its principal assets is a near 25 per cent stake in Espley, and three other Consult subsidiaries: Consult Property Developments, Consult Investments and Laurelbridge.

Mr Shuck was suspended from executive duties at Espley at the beginning of last month pending the results of an investigation by leading counsel into a Scottish property deal, funded partly in cash and partly by a share placing, earlier this year. The results of that investigation are expected in about three weeks.

The receivership of Associated Telecommunications and several of its subsidiaries follows the failure of the projected deal with Clabir (UK), the British arm of the U.S. investment group, in which Clabir had planned to acquire the instalment credit arm and to sell the Chadwick division back to Mr Shuck. That, in turn, was preceded by proposals whereby the Mr Hendrik van Eck was to have acquired North West Finance and Mr Shuck was to have taken out the business system division.

The Associated Telecommunications receivership comprises the following wholly owned Chadwick subsidiaries: Tradewinner, the systems development and programming consultancy; Mamba, a Midlands-based distributor of electronic office equipment; Fonadek, telephone amplification; and Fonadek Communications which was set up to market wide screen television and related video products.

Stewart Wrightson moves to sell off Lloyd's agency

BY JOHN MOORE, CITY CORRESPONDENT

Stewart Wrightson Holdings, the insurance broker with Lloyd's of London insurance interests, is in negotiations with **Merrett Holdings**, one of the largest independent Lloyd's underwriting agency companies, in an attempt to sell its **Pulbrook Underwriting Management Company**.

Negotiations are at an advanced stage for the sale of Pulbrook, a Lloyd's underwriting agency, and Merrett is expected to pay around £1m.

The move has been prompted by the private legislation of Lloyd's, enacted in 1982, which required that all Lloyd's insurance brokers divest themselves of shareholding links with agencies which run insurance syndicates within the Lloyd's market.

Pulbrook Underwriting Management runs five insurance syndicates at Lloyd's and is responsible for the affairs of more than 400 underwriting members of the market.

The agency employs 105 people and all the professional underwriters of those syndicates will be continuing with their existing responsibilities once the deal goes through. It is intended that the sale, which is subject to the approval of the council of Lloyd's, will take effect from January 1, 1985.

The purchase is being made through Merrett Holdings' wholly owned subsidiary, Creechurch Syndicate Managers.

In accordance with the Lloyd's legislation Stewart Wrightson is retaining its members' agency, Matthews Wrightson Pulbrook, which introduces members to the market but does not run the insurance syndicates into which the members are grouped.

Charles Batchelor looks at Dixons' bid for Currys

High Street manoeuvres

Michael Curry (left) and Terry Curry, joint managing directors of Currys, and Stanley Kalms, chairman and chief executive of Dixons

THE £233m takeover battle between Dixons, the electrical retailer, and its target and High Street rival Currys, took an unusual new turn this week with Currys' announcement of a novel and audacious defence tactic.

Currys and its merchant banking advisers, S. G. Warburg, launched their new move, which will allow Currys to capitalise on its property assets, just four days ahead of Friday's first closing date of the revised Dixons offer.

Currys' defence ploy presents investors with a major new element to consider in the six-week-old battle which could lead to the creation of the largest electrical retailing group in the UK.

Interest may need time to absorb the complicated package, forcing Dixons to extend its bid once more. The final closing date under the City Takeover Code's 60-day rule is December 16.

The Currys' plan—to sell and lease back about £55m worth of its £134m property portfolio to finance a capital reconstruction —will allow it to make fuller use of its property assets in the bid equation. Analysts face perennial problems in valuing stores groups with their combination of retailing activities and their property assets.

In an operation reminiscent of S. G. Warburg's unsuccessful defence last year of the Thomas Tilling group against BTR, the industrial conglomerate, the bank's plans would give Currys' shareholders 150p per share in cash and one share in a newly created company Currys Holdings, in return for each existing Currys' share.

The total payment of £71m to Currys shareholders would be liable to capital gains tax, depending on each shareholder's tax position and his choice between cash and loan note alternative.

In the Thomas Tilling defence Warburgs proposed selling off the Cornhill Insurance subsidiary and floating a minority interest in another offshoo to raise at least £175m for Tilling's shareholders.

Currys' fear is that unless it makes use of its property assets in this way Dixons will seize the same opportunity if its bid succeeds and defray much of the cost of the takeover.

Currys's shares fell 20p to 465p yesterday as the market absorbed the impact of its defence strategy. This was 34p below the value of Dixons offer which consists of two shares and 740p cash for every three Curry's shares. Dixons shares eased 1p to 378p yesterday.

Some analysts interpreted the Currys' fall as reflecting fears that the bid will fail and Currys' price will fall back. But Morgan Grenfell, Dixons' advisers, said the discount to the offer price was not significant in the light of the sharp rise in the Currys' price since the bid was made.

If Currys' share price remains below the value of the Dixons' offer, Dixons will be free to continue purchases in the market of shares beyond the 11 per cent stake already acquired. Dixons, however, showed no inclination yesterday to buy any shares.

Apart from a video tape entitled "Looking to the Future," sent by Currys to its shareholders, investors have received two lengthy documents from both contestants containing a mass of information and diagrams explaining their case.

Dixons' case hinges on whether Mr Stanley Kalms, its chairman, and his board can apply the same formula to Currys, now in its centenary year, as they have used in the rapid development of Dixons over the past four decades.

Since joining his father's photographic studio at the age of 16, Mr Kalms, now 52, built up a nationwide chain of camera and photographic equipment shops. This has expanded Dixons' range over the past three years, which now comprises a chain of 280 stores selling televisions, videos, home computers and hi-fi equipment.

Currys has nearly twice as many stores with nearly double the sales space. But its mix of bulkier, "white" goods, such as washing machines and refrigerators, with a range of brown goods—televisions, videos, etc— meant in their last financial year the two companies produced similar levels of profits and turnover.

Dixons made a pre-tax profit of £20.6m on turnover of £351m in the year ended April 28 1984 against Currys' £22.5m profit on sales of £349m in the year ended January 25 1984.

The comparisons are distorted somewhat by the more conservative accounting techniques applied by Currys which have placed it at something of a disadvantage in the current bid battle. Currys has a traditional reluctance to use extraordinary items as a means of preserving its pre-tax profits record.

Dixons and Currys stores face each other in many British High Streets but, according to Mr Kalms, a wide-ranging reorganisation is not planned if the takeover goes through. Minor adjustments to the product range to avoid overlaps and establish a clearer image for Currys are his stated plans.

Television sets and computers do not sell well alongside fridges and dishwashers in the view of many retailers. Savings will also clearly be possible in both overheads and from the combined groups' increased purchasing power.

In attempting to merge the two groups, Mr Kalms is merely keeping up with a well established trend in electrical retailing. Woolworth recently absorbed Comet; Telefusion is merging its television rental and Trident discount electrical shops and Granada has bought Rediffusion's TV rental business.

In its defence Currys has pointed to a five-pronged attempt to broaden its retailing formula. It is establishing mixed electrical stores in smaller towns, city centre superstores, speciality stores in both the "brown" and "white" goods areas, and edge-of-town locations.

For Dixons, this approach has merely highlighted the limitations of Currys' existing sales formula.

Dixons timed its bid well, making its initial announcement on October 4, just three days after Currys reported a 9 per cent fall in pre-tax profits to £8.5m for the six months to July 25.

Currys responded with an estimate of a £25.9m profit (excluding property sales) for the year to October 24 1984—the company is changing from a January to an October year-end—compared with £21.6m the year before. In the current year it expects a significant but unquantified increase in profits.

A major role in deciding the fate of Currys will be played by descendants of the founder, Mr Henry Curry. While a group of 30 to 35 institutions hold about 40 per cent of Currys and private investors a further 20 per cent or so, the Curry family holds over a 30 per cent stake.

Hartons cash and shares bid for Elson & Robbins

BY WILLIAM DAWKINS

Hartons Group, the USM-quoted plastic-sheet distribution and consumer products company, has made an agreed cash and shares offer for **Elson & Robbins**, the fully listed maker of Duflex seating, springs and vinyl foam.

Hartons is offering three of its own shares and 16p in cash for every two E&R ordinary shares. Based on Harton's market price yesterday of 48p, down 2p, the offer values E&R at £7.9m, or 79.8p per share. E&R's shares rose 10p to 78p after the announcement.

Barclays Merchant Bank is offering a cash alternative, by which it will pay 42p for each new Hartons share being issued, valuing the E&R shares at 71p each.

Hartons, which made £732,000 before tax on sales of £12.34m in the first half of 1984, is the largest UK distributor of semi-finished plastic sheet, rod and tube through its Visijar Tuckers division.

E&R's Duflex is the only UK maker of open-cell thermoplastic PVC foam for use as a cushioning medium in high-frequency welding, but shares the same suppliers as Visijar.

The offer involves the issue of around 14.8m new Hartons shares, which will bring the total to 44.3m, and increase the group's market capitalisation from £14m to £21.3m at yesterday's closing price.

* * *

Winterbottom Energy Trust, managed by Baillie Gifford, has rejected an offer at about net asset value proposed by Gruss, a New York securities company, because the proposal was not attractive in view of discussions being held by Winterbottom with another party.

Winterbottom announced on October 24 that it was discussing a possible offer for the trust. It later received an approach from Gruss, which had also made an unsuccessful approach earlier this year.

Mersk aims to buy Unilever's Norfolk Line

Mersk, a fast growing UK shipowner that is part of the Danish *A. P. Moller group, is in discussions* aimed at purchasing the Norfolk Line from Unilever.

The Norfolk Line, with annual turnover of over £50m, provides a door-to-door cross-channel freight transportation service based on its three roll-on, roll-off ferries and a fleet of 1,400 truck trailers.

Mersk has a fleet of 18 ships, including North Sea offshore support vessels and tankers. It is also active in chartering, bunker broking ship management, offshore engineering and is the general agent for A. P. Moller's liner business.

Mr Karsten Borch, managing director of Mersk, said the company was interested in Norfolk Line because of the importance of the European market for Britain. "We think it is a professional company and there is a lot of synergy between us."

Unilever said it was predominantly interested in consumer products, and its specialist knowledge of the transportation business was not that strong.

Earlier this year, a management buy-out at Norfolk Line was mooted but negotiations with Mersk had now reached a stage where both companies believed that an acquisition by Mersk would be in the best interests

Unilever said Norfolk was profitable and employed about 440 people in Britain and the Netherlands.

Steaua in deal with Sulpetro

BY ALENXANDER NICOLL

Steaua Romana, a British-based energy exploration company controlled by Clabir Corporation of the U.S., has agreed to buy the *U.S. oil and gas producing* assets of Sulpetro of Canada for about U.S.$5.6m (£4.5m).

The purchase is to be partially funded with a one-for-two rights issue raising about £2m, and Steaua also plans to obtain a listing for its limited voting shares on the Unlisted Securities Market through an introduction sponsored by Henderson Crosthwaite. Until yesterday, the shares were traded under the Stock Exchange's Rule 535 (3).

Seaua—which acquired its name when founded in 1920 to invest in the Romanian oil industry—is 66 per cent owned by Clabir, which specialises in developing and floating businesses.

In the UK, Clabir recently pulled out of a deal to buy Associated Telecommunications, parts of which went into receivership yesterday. It has also taken management control of Yelverton Investments.

Steaua plans to buy interests in 216 producing oil and gas wells in the U.S., and exploration rights over 157,000 undeveloped acres, together with geological data gathered by Sulpetro. It will take operating control of 36 of the wells, which are mainly in Texas, Louisiana, Oklahoma and West Virginia.

Steaua's existing interests are mainly in other American states, including Ohio.

Sulpetro, based in Calgary, recently underwent a financial restructuring and is focusing on its oil and gas properties in Alberta. The assets being sold, however, do not include its contract drilling operations in the U.S.

Steaua's rights issue, at 32p per share against 33p before suspension yesterday, will be fully taken up by Clabir, assuring that it will raise at least £1.27m. It is not being underwritten.

Steaua said the assets being acquired would produce reliable cash flow which, with the capital increase, would allow its subsidiary, Orion Energy of Dallas, to develop vigorously.

Hawley Group

Hawley Group's establishment of a Bermuda base has been approved by shareholders at an EGM and is expected to take effect on December 21.

Hawley and Electro-Protective shareholders have also approved Hawley's purchase, for shares, of the minority stake in Electro which it did not already own.

* * *

CH Industrials is acquiring **Diplomat Technico**, vehicle component supplier, together with its freehold factory and office premises, for a total consideration of £894,800. Of the total, £709,000 will be satisfied by the issue of 1.68m CH ordinary shares.

Complaints as brokers fight for BT commissions

BY ALISON HOGAN

SQUABBLING broke out among stockbrokers yesterday, eager to join in the **British Telecom** multi-million bonanza which closes on Thursday November 28.

The brokers get a generous 2 per cent commission on successful share applications for up to £10,000 which bear their stamp. Of this, 1¼ per cent is "reallowable," which means it can be passed on to a financial intermediary such as a solicitor or accountant, as a commission for introductions.

Complaints have been made to BT's advisers that some brokers have offered to pay half the introductory commission back to the investor or to a nominated charity, rather than to an official intermediary, as stipulated in the prospectus.

Brokers have also complained that lead brokers have sent them spare prospectuses already stamped, thus preventing them earning commission.

BT employees and the UK public can apply for 1.169bn of the 3bn shares on offer, worth £1.52bn at the 130p per share price.

Commission will not be payable on all applications as many will be submitted independently, but the bill to the Government will probably exceed £200m. BT's share of the costs is limited to £8.4m, according to the prospectus.

MINING NEWS

CRA to reduce zinc shipments

BY KENNETH MARSTON, MINING EDITOR

SHIPMENTS OF zinc concentrates from the Australian CRA group's three mines in New South Wales are to be reduced by some 50,000 tonnes next year.

Normal output is in the region of 525,000 tonnes a year, but because of industrial and technical problems output for the first nine months of 1984 has fallen to 286,109 tonnes from 412,523 tonnes in the same period of last year.

In addition, no export shipments are to leave the refinery at Port Pirie in South Australia in the first quarter of 1985 while the shiploader there is being upgraded to accommodate larger vessels. This will mean that some scheduled 1985 shipments will not be made until early 1986.

It is stated that the decision to curtail the mines' zinc concentrate sales has been taken because of the need to rebuild stocks to practical working levels after the rundown which occurred during the two-month mine strike at Broken Hill earlier this year.

Another factor which may have been taken into consideration by the CRA group is the recent falling off in the market for zinc. The group's proposed cutback in sales, however, is unlikely to make much impact on the overall supply picture.

The CRA cutback of 50,000 tonnes of concentrates would contain just under 50 per cent metal against Australia's total zinc metal production last year of 647,000 tonnes. The Western world total was 4.78m tonnes.

Meekatharra in £1.2bn proposal

AUSTRALIA'S **Meekatharra Minerals** and its Japanese engineering group partner **Kumagai Gumi** have put forward a A$1.8bn (£1.2bn) proposal to build and fuel a first private coal-fired power station for South Australia.

The plan has been put to the State Government as an alternative to the latter's currently proposed 1,000 Mw generating station for the Electricity Trust. Meekatharra is one of the four of South Australia (ETSA) short-list companies competing for the coal supply contract for the State power station. The others are Western Mining, CSR and ETSA.

Meekatharra has spent several years evaluating coal resources in the Arckaringa Basin of South Australia which is estimated to hold five major deposits with a total of 10bn tonnes of black steaming coal.

Of these, Meekatharra believes that its Wintinna deposit has reserves of 2bn tonnes at open-cut depths of black coal suitable for conventional power stations.

It is claimed that its superior Wintinna coal would cost the State power station around A$960m, giving capital cost savings of up to A$530m

The alternative private power proposal would involve a 4m tonne per annum open-cut coal mine and a 1,000 Mw on site power station with transmission lines to the South Australian grid at Port Augusta. Meekatharra would have a 75 per cent stake in this venture with Kumagai holding the remaining 25 per cent.

COMPANY NEWS IN BRIEF

Inchcape, international merchant, is looking around for acquisitions to "pep up" growth. General trading will remain a bedrock interest, as will motor, which on a normal year would account for some 35 per cent of profit. However, the company is now "trying to identify other compatible businesses which could give better margins and higher-than-average growth prospects."

* * *

Berger Jenson & Nicholson, the UK paint group owned by Hoechst of West Germany, has increased its holding in A. G. Stanley, the "Fads" DIY chain, to 20.93 per cent.

Berger has been gradually increasing its holding since it acquired 11 per cent in 1979 by selling its retail stores to Stanley in return for shares. Of the latest purchase of 300,000 shares, Mr Michael Lowe, Berger finance director, said: "We have no designs. We thought the shares were rather cheap." Stanley shares yesterday fell 1p to 38p.

* * *

The interest rate for this week's issue of local authority bonds is 9 15/16 per cent, down 1/16 of a percentage point from last week, and compares with 9 7/16 per cent a year ago. The bonds are issued at par and are redeemable on November 27 1985.

A full list of issues will be published in tomorrow's edition.

* * *

Net asset value per 50p share at **New Court Trust** improved from 395p to 432p in the year to August 31, 1984. The final dividend is increased from 9.625p to 10.125p net for an increased total of 14.25p compared with 13.75p. Stated earnings per share were 15.08p against 14.39p.

Group revenue rose from £719,703 to £753,996 after all charges, including tax of £327,436 (£325,891).

* * *

Mr A. S. Edgard has sold 500,000 A ordinary in **H. Samuel** (non-voting) shares.

UK COMPANY NEWS

Heavier interest hits Chapman

Although trading profits of Chapman Industries, envelope manufacturer, rose by £15,000 to £373,000, a doubled net interest charge of £94,000 meant pre-tax figures fell from £311,000 to £279,000 in the half-year to September 29 1984. Turnover was up by £1.3m to £8.69m.

Earnings per 50p share were 0.9p higher at 8p, after tax of £54,000 (restated £110,000). An extraordinary debit of £97,000 this time arose from the decision to withdraw envelope manufacture from the Croydon factory.

The second half has commenced on a firm note for all group trading activities.

Young's Brewery

Young and Co's Brewery achieved pre-tax profits ahead at £1.7m for the half-year to end-September 1984, compared with £1.61m.

The interim dividend is lifted from 2.5p to 3p net per 50p share. Last year's 5.5p total was paid on taxable profits of £2.64m.

The first-half turnover of this London brewer increased from £16.16m to £17.9m.

C. E. Heath rises by £4.4m and sees further growth

C. E. Heath pushed its first half pre-tax profits up by £4.39m to £13.7m and is lifting its interim dividend from 5.25p to 6p net per 20p share.

Mr D. H. Newton, the chairman, says it is not possible to give an accurate assessment of the likely outcome for the full year bearing in mind that the second half incorporates the major renewal season at January 1.

However, he has no reason to expect that the progress shown in the first half will not be reflected correspondingly in the second.

Heath is an international insurance broker, reinsurance broker and underwriting agent. Its turnover for the first six months to September 30 1984 advanced from £22.73m to £27.43m.

Although administration expenses for the period rose by £4.3m to £23.8m these were all but balanced by a £3.99m rise in investment and other income to £10.07m.

After tax of £5.36m (£3.93m) and minorities the attributable surplus came through at £8.32m.

Earnings per share were shown as rising from 17.2p to 26.6p.

The group is continuing its endeavours to broaden the basis of its operations in the UK.

During the half year its insurance broking operations world wide produced an income of £16.19m (£14.21m).

The profit from insurance broking activities improved from £4.87m to £6.2m, an increase of 27.3 per cent.

Both the UK and Australian operations increased their contributions.

Further good progress was made on the underwriting side where the reported profit was £7.06m (£3.86m).

Mr Derek Newton, the chairman of C. E. Heath

● comment

Higher interest rates, sterling's strength and substantial increases in underwriting rates apparently worked in C. E. Heath's favour in the first six months. They seemed to be the chief feature behind a 65.6 per cent rise in investment income and an 83 per cent gain in underwriting profits, a performance which the group looks capable of at least maintaining in the current half. Heath is giving nothing away, but outside estimates indicate that roughly 20 per cent of the pre-tax total comes from Australian workers' compensation business, where the threat of nationalisation adds more than a touch of uncertainty to future earnings growth. At worst, nationalisation could not come into effect until July 1986, and it would take another year for the last contracts to run off, by which time Heath should have built up new sources of income. Surprisingly, it is also keeping the exact size of currency gains close to its chest. At any rate, firmer U.S. broking premiums and continued growth elsewhere should push the full-year total to £31m pre-tax, leaving the shares, up 20p to 490p, on a prospective multiple of 8 after a 39 per cent tax charge.

Optimism at Bulgin as recovery starts

THE MUCH brighter year forecast by A. F. Bulgin is taking shape. The first half ended July 31 1984 shows a £547,000 turnround in profit compared with the preceding period, to give £208,000 pre-tax and the directors are confident the current six months will be considerably better.

In the first half of 1983-84 this electronic and electrical component manufacturing group made a profit of £381,000. The second half took the brunt of heavy reorganisation and additional depletion for oil and gas interests, and meant the year's profit was reduced to £42,000, compared with £759,000 in the previous year.

The £208,000 achieved in the first half of the current year was struck after exceptional cost £62,000, being the creation of a new power conversion division. In the second half, profits from manufacturing activities will be improved by a price increase from September 1, by greater volumes, and by product rationalisation. Distribution will continue to expand through new products and increased sales of existing lines.

Benefits of the recent reorganisation and stock rationalisation programmes are beginning to show through, while the exceptional costs are largely finished. Contributing factors have been an improved performance, both in manufacturing at Barking and the expanding distribution operations of Cirkit companies.

Establishment of the power conversion division is almost complete, and its contribution to turnover is beginning to grow.

The group's energy interests were affected by the continuing poor demand for gas in the U.S.; and in view of the results from Buccaneer Energy the directors have decided against investing further in the oil and gas sector. However, the cash flow produced will be utilised in the continuing development of the group as a whole.

Turnover in the half-year went up from £3.23m to £4.25m. After tax £97,000 (£198,000) the net profit is £111,000 (£183,000) for earnings of 0.4p (0.65p) per share. The interim dividend is again 0.58p net.

HAT up to £4.3m midway

AN INCREASE of £450,000 in profits is reported by the HAT Group for the half year ended August 31, 1984, and the interim dividend is lifted from 1.65p to 1.8p net per share.

Taxable profit for the period came to £4.33m. The future continues to look encouraging, the directors say, and they are expecting further progress. For the previous year ended February 29 1984 the group made a profit of £10.25m and paid a dividend total of 3.3p.

The group supplies specialist services and materials to industry and public authorities. It has interests in painting, cleaning, glass, electrical and plumbing, plastering and property. Its turnover for the six months moved ahead from £80.5m to £91.75m.

Good trading performances were achieved in all UK divisions with the exception of painting, where margins came under pressure.

The directors are currently investing substantial money in the glass and cleaning divisions, and it is expected these will show good returns in the near future.

After tax £1.28m (£1.43m) and minorities, the attributable profit for the period came to £3.03m (£2.42m), equal to 3.98p (3.75p) per share.

● comment

HAT's price slipped to 110p yesterday as the analysts realised they had over-eged their forecasts for this year. Instead of £12m to £13m, a profit of £11m to £11½m looks more likely. HAT is spending heavily on reorganising some of its established activities, such as glass, and exceptional costs of £1m or so will come above the line. The other "trouble spot" has been painting. It sounds as if the integration of Tighe has involved some rather expensive farewells, but more importantly North Sea work is getting harder to find and pricing for Government contracts has become extremely cut-throat. The last feature, at least, could come right next year. Over in the U.S. the painting business appears to be coping well enough with the deteriorating fortunes of its chemical and oil industry customer base while the Houston property development should be sold reasonably soon. HAT may not make a profit on Houston but the cash will check the rise in borrowings (there will be an interest charge this year) which have been given a further nudge upwards by the opportunity to purchase Acrow's plant hire business. Sentiment is temporarily against the shares, but HAT's potential remains unchanged despite this year's expected slowdown and a p/e of 10½ or so is undemanding.

Dominic Lawson looks at Aberdeen American's effort to gain a listing

Hoping to be second time lucky

Aberdeen American Petroleum is hoping that it will be second time lucky as it asks the Stock Exchange to give the go ahead for dealings in its share to start tomorrow.

Two and a half years ago the oil company had planned to raise £16m followed by a stock market quote under rule 163 (3). But oil spot price and share price weakness meant that the ambitious financing and market debut were scuppered.

This time around the oil price has again not been exactly helpful, but Aberdeen American has successfully carried out a rights issue to raise £3m, and it fully expects dealings in its shares to start under rule 535 (3). Some private deals have recently seen AA shares change hands at around 150p, which would capitalise the company at £10.7m.

Although Aberdeen is the base of the North Sea oil industry, Aberdeen American, as part of its name suggests, is involved only in exploration onshore in the United States. Under the expert guidance of a former director of Production Research for Shell Development in Houston, Mr Arlie Winn, AA is exploring for oil and gas in the mature low risk areas in the Rocky Mountain Region, Texas and California.

Mr Winn—who last year was paid almost £94,000 by the fledgling oil company, says that when buying into producing interests he has a minimum target of a 25 per cent annualised rate of return. For pure exploration, says Arlie Winn, "we aim for a better payback."

However, the company is still very much at the investment stage—in the first half of this year it made an operating loss of £425,536, following a loss last year of £619,347.

An independent analysis of the company's inventory shows proven and probable oil and gas reserves equivalent to about 80p per share. That makes the shares look expensive, but 51 year old Arlie Winn insists that the company's in-house analysis indicates asset value "about twice that amount."

Aside from Mr Winn, the board of the company is packed with impressive-sounding non executive-directors, including the Lord Lieutenant of Aberdeenshire, Sir Maitland Mackie, and Professor James Brown, Professor Emeritus of the School of Petroleum Engineering at Heriot-Watt University. The only UK based executive director is Mr William Murphy, 60 year old former general manager of Shell UK Exploration and Production, Northern Operations.

Mr Murphy says that in about a year's time, it is planned that Aberdeen American applies to join the Unlisted Securities Market, followed in time by a full Stock Exchange listing.

When Aberdeen American made its 1982 attempt at a stock market debut, it had aimed to set aside £7m to invest in North Sea exploration by joining groups bidding for acreage in the 8th round of UK offshore oil and gas licences. But Mr Murphy says that there are no longer any plans to invest in North Sea oil.

So why base the 100 per cent U.S.-orientated company in distant Aberdeen? "Because I retired to live in Aberdeen" points out Mr Murphy in a manner which brooks no argument.

SECTION III – INTERNATIONAL MARKETS

FINANCIAL TIMES

Wednesday November 21 1984

Euroyen market opens doors to corporate borrowers, Page 42

WALL STREET

Stimulus sought from Fed

A TECHNICAL recovery was apparent after five sessions of crumbling equity prices, *writes Terry Byland in New York.*

Several factors caused an upturn in the blue chips at midsession. The latest federal data, although indicating slower growth in the U.S. economy, also served to harden belief that the Federal Reserve will pursue more stimulative policies.

The federal funds rate eased after the Fed had again intervened in the credit markets, where bond prices were higher at first. The market was also encouraged when a leading Wall Street securities firm advised clients to shift portfolio weightings towards stocks.

At midsession, the Dow Jones industrial average had rebounded from the lower end of its recent trading range to gain more than 12 points to clear the 1,198 level. Buying interest waned towards the close. The Dow showed a net gain of 9.83 points to 1195.12. Turnover improved, with $83.6m shares traded during the session.

The downward revision in the Commerce Department's third-quarter GNP growth figure from 2.7 per cent to 1.9 per cent was greater than the market expected.

Further indication of a slowdown in the economy came from the announcement of a 9.8 per cent drop in October housing starts. This strengthened hopes in the credit markets that the Fed will ease its credit policies again.

Some analysts believe that the Fed is already easing policy. Yesterday brought further intervention in the form of $1.5bn in customer repurchase arrangements, when the federal funds rate stood at 9⅝ per cent. The Fed has now intervened, often aggressively, in each of the past five trading sessions.

The sharp fall in housing starts, a strongly interest rate-sensitive indicator strengthened hopes for a cut in the Federal Reserve's discount rate.

The stock market, sluggish at first, turned smartly upwards after Drexel Burnham Lambert, the major brokerage house, was reported to be advising clients to switch out of bonds into stocks. With the Dow average around the bottom of the trading range of recent months, institutional buyers were ready to pick up some stock. Block trades, the footprint of the big pension and mutual fund buyers, increased from the previous session.

Gains spread rapidly through the major industrial sectors, with high technology, oils, motors and airline issues finding buyers. IBM put on $1¼ to $121¼, helped by federal approval for the Rolm acquisition. Also firm were NCR, up $⅝ at $26¼ and Control Data $⅜ up at $32¼.

Eastman Kodak added $⅜ to $73⅜ after announcing plans to enter the telecommunications business. AT&T at $18⅜, edged up $⅛.

Among the major transatlantic air carriers, Pan Am was down $⅛ at $4½ after President Reagan's surprise veto of any further anti-trust investigation by the U.S. Justice Department.

Airline stocks to attract investors included Delta $1⅞ up at $38⅛; and American Airlines $¾ up at $31.

In the money markets, rates eased by five to eight basis points, helped by a dip in the federal funds rate to 9¼ per cent after the fed's intervention. Treasury bill rates held steady, however, with three-month rates six basis points higher.

The early gains in bond prices were trimmed as attention turned towards the stock market. The key long bond, 10 basis points up at 101 27/32, set the pace for the rest of the market. Turnover was again modest. Corporate bonds held firm, and the municipal sector, still burdened by heavy supply, held on to its recent levels.

TOKYO

Safety found on the sidelines

INVESTORS held to the sidelines in Tokyo yesterday, dragging share prices down all day in extremely thin trading, *writes Shigeo Nishiwaki of Jiji Press.*

In this depressed market only speculators traded actively, focusing on erratically moving biotechnology-related and medium and low-priced issues to make capital gains.

The Nikkei-Dow market average, which on Monday had achieved its first gain in four sessions, fell 27.23 to 11,256.98 on a volume of 253m shares compared with the previous day's 232.86m. Losses outpaced gains by 389 to 298 with 192 issues unchanged.

Apart from the speculative issues, optical fibre-related shares attracted buyers. Nippon Kogaku, a manufacturer of semiconductor making equipment, gained Y20 to Y1,450, Shimadzu Y30 to Y795 and Nippon Sheet Glass Y5 to Y727. Few analysts believe these issues will become sufficiently popular to generate sustained buying interest.

Factors which made for a low profile by many investors included this week's continued decline on Wall Street, strong selling pressure from non-residents and the record margin debt.

Overseas investors' sell orders for 16m shares placed with the big four brokerage houses yesterday far exceeded buy orders for 11.5m shares. The margin debt as of last Saturday of Y2,790.4bn on the major exchanges, which was announced yesterday, was up Y26.8bn from a week earlier. That surpassed the previous high of Y2,784.2bn recorded on May 26.

Trading centred on relatively underpriced incentive-backed issues, particularly biotechnology-related pharmaceuticals. Takara Shuzo climbed Y20 to Y820, Nippon Kayaku Y20 to Y608 and Hisamitsu Pharmaceutical Y26 to Y926. Even so, Dainippon Pharmaceutical retreated Y100 to Y5,600, Eisai Y30 to Y1,540 and Taito Y26 to Y580.

Sumitomo Light Metal also attracted speculative interest and added Y3 to Y369, topping the active list with 6.2m shares changing hands. Nippon Denko rose Y25 to Y745 and Pacific Metals Y20 to Y515.

The bond market firmed on brokers' speculative buying in response to the steady performance of U.S. credit markets. Many institutional investors held back, however, awaiting the U.S. growth projection for gross national product due later. The yield on the benchmark 7.3 per cent government bond maturing in December 1993 slipped to 6.710 per cent from Monday's 6.735 per cent.

HONG KONG

QUIET and selective trading left Hong Kong steady, although there was a 10-cent rise by Hongkong Wharf at HK$4.45 in unusually heavy activity for the stock.

Hongkong Land firmed 2 cents to HK$3.52 in further consideration of its reshaping, while Hongkong Electric, in which Hongkong Land has a 34 per cent stake rumoured to be up for sale, added 5 cents to HK$6.50. Hongkong Realty moved 15 cents higher to HK$5.60.

SINGAPORE

SPECULATIVE dealings again dominated Singapore as a mixed overall close masked sharp movements in both directions by active individual features. This was despite the suspension requested by Pan Electric, which has soared to prominence in recent months, ahead of an expected acquisition.

Textile Corp was volume leader for the second day, but its 16-cent loss at S$1.54 more than offset Monday's gain. Following it in activity were Pahang.

CANADA

SLOW HEADWAY was made by Toronto in responding to the stronger indications from New York, and gains by golds and the transport sector did not immediately extend elsewhere.

Utilities were a firm spot in Montreal, while banks showed persistent weakness.

EUROPE

Corporate boost to dull day

A SCATTERING of local corporate statements and share issues provided the main source of interest on otherwise dull European bourses.

Many **Frankfurt** investors were absent ahead of the Repentence Day holiday today, with a subsequent drop in turnover. The Commerzbank index nevertheless turned 4.6 higher to 1,075.8.

Siemens's plan to raise its dividend to DM 10 after a surge in world group turnover was warmly received and brought a new high for the year of DM 456.50, a gain of DM 5.50 although off its DM 458 day's peak. Degussa's DM 5.10 advance to DM 360 led chemicals followed by a DM 3.80 improvement for Schering at DM 397.

Porsche offset the previous session's setback by leading the quality car sector with a DM 17 gain to DM 1,015. Daimler was DM 2 ahead at DM 559.50.

Utilities firmed on Veba's favourable interim statement as it closed DM 1.30 higher at DM 167.50. Elsewhere banks and stores showed steady gains.

Bonds were slightly higher in quiet trading as the Bundesbank sold DM 23m of public paper compared with Monday's DM 25m sale.

A cautious **Amsterdam** edged higher with the ANP-CBS index up 0.2 at 174.7. Some weakness developed among internationals as Royal Dutch shed 50 cents to Fl 170. Philips held steady at Fl 53.30, although Unilever secured a Fl 1.50 gain at Fl 297.

Insurers were firmer, with Amev 70 cents up to Fl 189.20 as it announced plans to increase its holding in the Spanish insurance group Bilbao to 53 per cent. Aegon, however, at Fl 131 managed a rise of Fl 2.50, one of the best gains of the session.

Bonds were marginally better ahead of a new state issue, possibly today.

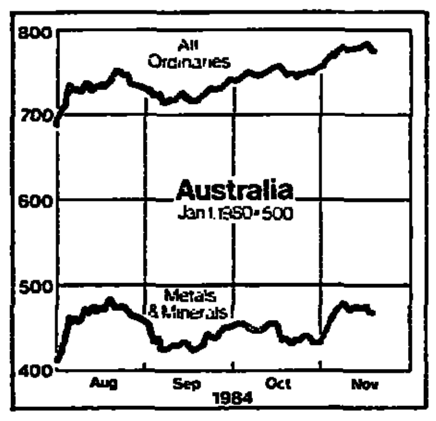
Capital issues dominated an easier **Brussels** market as trading in the new Groupe Bruxelles Lambert rights began. GBL finished the day down BFr 160 at BFr 2,040.

Trading in the new Société Générale de Belgique issue, priced at BFr 1,550 each, begins in December although some investors are selling the shares against a future purchase of rights. Société Générale ended BFr 15 off at BFr 1,795.

End-of-month liquidation curtailed many shares in **Paris**, although Michelin put on FFr 20 to FFr 785 after consideration of its first-half sales increase. In Foods, BSN-Gervais rose FFr 30 to FFr 2,520 although other food-related issues were weaker.

The December bourse month opened in **Milan** with active buying pushing up many shares. Italcementi hit another high for the year with a L800 gain to L61,500, while La Rinascente's L6 advance was sufficient to take it to new 1984 high of L492. Fiat made steady progress with a L45 rise to L1,676, while Saipem, making its debut, finished L17 up at L4,207.

The strength of the dollar diluted enthusiasm in **Zurich**, while in **Stockholm** Ericsson continued weaker with a SKr 20 drop to SKr 266 and Electrolux shed SKr 3 to SKr 217 amid sharply improved results. **Madrid** saw electricals move higher.



AUSTRALIA

THE OIL and gas sector withstood widespread Sydney selling which extended elsewhere from metal mining to industrial issues, while banks remained under pressure. The all Ordinaries index shed 2.4 to 772.6 and the metal and minerals index 3.0 to 465.9.

BHP's energy interests allowed it a 5-cent revival to A$10.70 after A$10.55, buoyed by this week's Cooper basin drilling reports. Santos picked up 6 cents to A$6.36 and Vamgas jumped 15 cents to A$3.80.

LONDON

Telecom keeps many engaged

THE LOOMING British Telecom offer continued to preoccupy London stock markets yesterday, and leading equities drifted lower in idle trading conditions before steadying late in the session. Government securities also gave ground.

Some London dealers encountered sporadic sales which may have represented the need to raise funds for BT, but most were convinced that the necessary financing had been completed. Selling pressure overall was light, with few equity traders being given the chance to square short book positions.

The oil sector suffered more than most because of growing pressures for a reduction in North Sea oil prices. British Petroleum fell 13p to 492p, while ICI was the only other constituent of the FT Industrial Ordinary index to record a double-figure loss – off 10p to 646p.

Citibank's surprise move in lowering its UK base lending rate to 9½ per cent came too late to help sentiment and the index closed 6.3 down at 912.8.

Turnover in gilt-edged securities was very low and quotations eased before staging a tentative rally. Selected longer-dated stocks settled a half down on balance, although index-linked issues resisted, after scattered demand for near-dated maturities.

Chief price changes, Page 34; Details, Page 35; Share information service, Pages 36–37

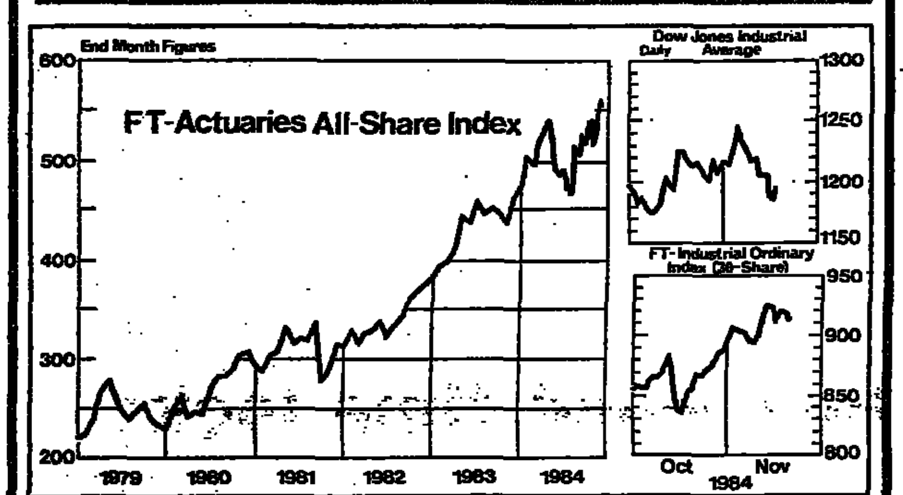
SOUTH AFRICA

A DOWNWARD drift by Johannesburg golds was slowed, leaving most issues lower but above the day's worst.

Southvaal was one of the few to break through with a 25-cent rise to R85.25, but Vaal Reefs shed R1 to R185. Among base metal miners Consolidated Murchison stood out with a 25-cent gain to R15.

Industrials drew further benefit from prime rate cuts, allowing retailer OK Bazaars a 25-cent advance to R14.75 although Premier held at R20 on its profits news.

KEY MARKET MONITORS



STOCK MARKET INDICES

	Nov 20	Previous	Year ago
NEW YORK			
DJ Industrials	1,195.12	1,185.29	1,251.02
DJ Transport	520.30	516.00	608.04
DJ Utilities	143.26	142.90	137.33
S&P Composite	164.18	163.10	165.09
LONDON			
FT Ind Ord	912.8	919.1	725.7
FT-SE 100	1,159.1	1,167.4	970.1
FT-A All-share	549.34	552.83	453.35
FT-A 500	599.50	604.12	487.29
FT Gold mines	561.0	561.6	479.8
FT-A Long gilt	10.09	10.05	10.09
TOKYO			
Nikkei-Dow	11,256.98	11,284.21	9,386.68
Tokyo SE	853.41	854.68	689.37
AUSTRALIA			
All Ord.	772.6	775.0	714.9
Metals & Mins.	465.9	468.9	513.2
AUSTRIA			
Credit Aktien	56.20	57.74	54.31
BELGIUM			
Belgian SE	157.07	158.86	127.11
CANADA			
Toronto			
Metals & Minls	1,963.9 *	1,964.92	2,311.0
Composite	2,386.2 *	2,387.02	2,453.1
Montreal			
Portfolio	118.72*	118.59	120.87
DENMARK			
Copenhagen SE	168.38	170.67	199.19
FRANCE			
CAC Gen	179.7	180.2	144.8
Ind. Tendance	118.8	119.6	92.1
WEST GERMANY			
FAZ-Aktien	367.74	336.94	338.95
Commerzbank	1,075.8	1,071.2	1,009.3
HONG KONG			
Hang Seng	1,072.52	1,067.61	866.49
ITALY			
Banca Comm.	212.37	210.14	191.73
NETHERLANDS			
ANP-CBS Gen	174.7	174.5	139.2
ANP-CBS Ind	136.7	136.6	112.6
NORWAY			
Oslo SE	280.38	282.43	193.09
SINGAPORE			
Straits Times	786.72	788.69	954.94
SOUTH AFRICA			
Golds	1,075.1	1,078.1	731.9
Industrials	926.1	920.2	902.0
SPAIN			
Madrid SE	143.05	141.66	127.17
SWEDEN			
J & P	1,329.25	1,341.72	1,453.02
SWITZERLAND			
Swiss Bank Ind	373.8	374.8	355.0
WORLD	Nov 19	Prev	Year ago
Capital Int'l	183.9	185.3	179.8

GOLD (per ounce)

	Nov 20	Prev
London	$342.75	$342.00
Frankfurt	$343.00	$343.50
Zürich	$342.75	$343.00
Paris (fixing)	$342.57	$341.01
Luxembourg (fixing)	$342.75	$343.60
New York (Dec)	$343.80	$343.30

* Latest available figure

CURRENCIES

(London)	U.S. DOLLAR Nov 20	Previous	STERLING Nov 20	Previous
$	–	–	1.236	1.249
DM	3.006	2.992	3.725	3.7375
Yen	245.0	243.6	303.0	304.25
FFr	9.2225	9.18	11.3975	11.4525
SwFr	2.489	2.4735	3.08	3.09
Guilder	3.3965	3.3745	4.1875	4.2125
Lira	1,864.5	1,856.0	2,301.5	2,318.0
BFr	60.55	60.3	75.05	75.45
C$	1.31845	1.31675	1.6355	1.6435

INTEREST RATES

	Nov 20	Prev
Euro-currencies (3-month offered rate)		
£	9 11/16	9 13/16
SwFr	5⅝	5⅝
DM	5¾	5¾
FFr	11⅛	11⅛
FT London Interbank fixing (offered rate)		
3-month U.S.$	9 1/16	9¼
6-month U.S.$	10	10⅛
U.S. Fed Funds	9¼	9⅜
U.S. 3-month CDs	9.1	9.3
U.S. 3-month T-bills	8.61	8.59

U.S. BONDS

Treasury	Nov 20* Price	Yield	Prev Price	Yield
11⅝ 1986	101 9/32	10.54	101 3/16	10.60
12⅜ 1991	103 5/32	11.45	103 1/16	11.50
11⅝ 1994	100 5/32	11.53	100 1/32	11.59
11¾ 2014	101 7/32	11.54	101 1/16	11.58
Corporate	Nov 20* Price	Yield	Prev Price	Yield
AT&T				
10⅜ June 1990	94¾	11.70	94⅝	11.70
3⅞ July 1990	72	10.65	72	10.65
8¾ May 2000	76⅝	12.20	76⅝	12.20
Xerox				
10⅞ March 1993	92⅝	12.10	92⅝	12.10
Diamond Shamrock				
10⅜ May 1993	91	12.35	91	12.35
Federated Dept Stores				
10⅜ May 2013	86⅝	12.30	86⅝	12.30
Abbot Lab				
11.80 Feb 2013	93.80	12.60	93.80	12.60
Alcoa				
12½ Dec 2012	95⅜	12.80	95⅜	12.80

FINANCIAL FUTURES

CHICAGO	Latest	High	Low	Prev
U.S. Treasury Bonds (CBT) 8% 32nds of 100%				
Dec	71-20	71-28	71-13	71-06
U.S. Treasury Bills (IMM) $1m points of 100%				
Dec	91.45	91.53	91.42	91.47
Certificates of Deposit (IMM) $1m points of 100%				
Dec	90.75	90.79	90.67	90.67
LONDON				
Three-month Eurodollar $1m points of 100%				
Dec	90.35	90.38	90.27	90.25
20-year Notional Gilt £50,000 32nds of 100%				
Dec	109-05	109-18	109-05	109-11

COMMODITIES

(London)	Nov 20	Prev
Silver (spot fixing)	599.60p	600.40p
Copper (cash)	£1,063.00	£1,055.00
Coffee (Nov)	£2,544.00	£2,530.00
Oil (spot Arabian Light)	$27.75	$27.82

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

12 Month High	12 Month Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
23½	13¾	AAR	.48	2.2	18	31	21⅞	21½	21½	-⅛
30½	9⅛	AGS			7	81	10⅛	9⅞	9⅞	-¼
17⅞	13⅛	AMF	.50	3.4	82	154	14⅞	14½	14⅝	+⅛
41⅝	24¼	AMR			5	4813	31⅛	30¼	31⅛	+⅞
20⅛	16¼	AMR	pf2.18	11.		8	19½	19⅛	19⅛	-⅛
41½	27½	AMR	pf2.13	6.6		281	32¼	31⅞	32¼	+1
70⅜	40¼	ARA	2.10	3.0	14	1181	70⅜	70¼	70¼	
69¾	44⅝	ASA	3a	5.1		368	58¾	58¼	58¾	+⅛
30⅛	16½	AVX	.32	1.8	11	46	18¼	17⅞	17⅞	-⅛
48⅞	36⅝	AbtLab	1.20	2.9	13	2236	41⅝	40⅞	41⅛	-⅜
23⅜	16½	AccoWd	s.44	2.0	18	151	22¼	22	22	-⅛
27¼	12½	AcmeC	.40	2.8		55	14⅝	14½	14½	-⅛
18¾	15	AdaEx	2.11e	13.		88	16⅜	16	16	-⅛
18⅞	11⅞	AdmMl	.32	2.1	8	12	15⅛	14⅞	15⅛	+⅛
22	13	AdvSys	.81t	6.0	13	58	13½	d12⅞	13½	+½
41⅛	25⅞	AMD			13	3320	29⅝	29	29⅛	+⅛
14⅝	7⅛	Advest	.12	1.4		22	8½	8¼	8⅜	-⅛
16¼	8⅝	Aerflex			11	202	11⅞	11⅝	11⅞	+⅛
39	27¼	AetnLf	2.64	7.6	29	748	34⅝	34⅜	34⅝	
58¾	52⅝	AetL	pf5.78e	10.		353	55¼	55	55¼	-½
34½	15¼	Ahmns	1.20	5.0	11	1463	24	23⅝	24	+½
5½	2⅝	Aileen				54	2⅞	2¾	2⅞	+⅛
48⅜	36½	AirPrd	1.20	2.7	10	886	45⅛	44¼	44⅞	+⅛
30⅞	13	AirbFrt	.60	3.1	11	41	19⅜	19⅛	19⅜	-⅛
4	1⅞	AlaMoa	.50e	12.		3554	u4⅛	3⅞	4	+⅛
27⅛	21	AlaP	pf2.97e	12.		808	25⅛	25⅛	25⅛	-⅛
31	26¾	AlaP	pfA3.92	13.		21	30⅞	30⅝	30⅝	-⅛
7¼	6	AlaP	dpf.87	12.		39	7¼	7⅛	7¼	+⅛
100½	85¼	AlaP	pf 11	11.		z310	100	100	100	-½

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Continued on Page 33

AMERICAN STOCK EXCHANGE COMPOSITE CLOSING PRICES

12 Month High	12 Month Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
7¼	3⅞	ADI	n		22	29	6	5¾	6	+ ⅛
3⅞	2½	ADI	wt			8	3	3	3	+ ⅛
3⅛	1⅛	AICPh				9	1⅛	1⅛	1⅛	
15¼	8⅞	ALLab	n .20	1.9	10	9	10⅝	10⅝	10⅝	
18⅞	12	AMC	n .12e	1.0	10	2	12½	12½	12½	− ⅛
3¼	2⅞	AM	Intl			254	2⅞	2¾	2⅞	+ ⅛
2⅛	¼	ATI				21	⅞	⅞	⅞	−1-16
71¼	58	ATTFd	n5.52e	8.0		73	69¼	68⅞	69¼	+ ¼
16⅞	9⅞	Action			36	45	14½	14¼	14¼	− ⅛
9¼	4⅞	Acton				66	4⅞	4⅞	4⅞	+ ⅛
3⅞	½	Acrn	wt			17	7-16	d⅜	7-16	−1-16
25½	15⅞	AdRusl	s .14	.6	19	41	24⅞	24⅝	24⅞	+ ⅛
24¼	15	Adobe	.24	1.4	11	89	17⅞	17¼	17⅛	− ⅛
8⅞	4½	Aeronc			7	10	6¼	6⅛	6¼	
50⅞	36⅞	AffPub	.80	1.8	14	7	44¼	44¼	44¼	
9¼	6	AirExp			10	6	8¼	8⅛	8¼	− ⅛
5¼	2⅞	Alamco			6	89	2⅞	2⅞	2⅞	
14¼	6¼	AlbaW	.15j		7	3	6⅜	6¼	6⅜	− ⅛
9¼	6½	Alcna	.48r	6.7	2	24	7¼	7⅛	7⅛	− ⅛
22⅞	11⅞	Alphain	.05	.4	16	253	12⅞	12⅛	12⅞	− ⅞
1⅞	½	Altex				40	11-16	⅝	⅝	
34¼	28⅞	Alcoa	pf3.75	12		z200	32	32	32	
22	11	AlzaCp			53	151	20⅛	20	20⅛	
20¼	9½	Amdahl	.20	1.9	13	275	10⅝	10⅛	10⅝	+ ⅛
17	6½	Amedco	.08	1.1		120	7⅛	6¾	7⅛	+ ⅜
6½	4⅞	AmBiltr	.15	2.3	5	113	u6⅞	6⅛	6⅞	+ ¼
9⅞	2⅞	AmCap				1	5⅛	5⅛	5⅛	− ⅛
37½	30	AContl	.92e	2.5	11	1	37⅛	37⅛	37⅛	+ ¼
27	12⅛	AExp	wt			45	22⅛	21⅞	22	+1
7⅞	5⅞	AFruc	A			z8600	7⅞	7¼	7¼	
7½	5⅞	AFruc	B			z2400	7⅞	7¼	7¼	
12¼	6⅞	AHlthM			7	172	8⅝	d7¼	8	− ½
7½	4	Alsrael			3	27	6¼	6⅛	6⅞	

Continued on Page 34

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

Continued from Page 32

X–Y–Z

12 Month High	12 Month Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
52⅛	33¼	Xerox	3	8.1	11	1865	37	36¼	37	+ ⅝
51⅛	45¼	Xerox	pf5.45	11		4	50¼	50	50¼	
36½	19	XTRA		2.8	8	110	24¼	23¼	23¼	−1½
33⅞	24	ZaleCp	1.32	4.8	9	10	28	27⅞	27⅞	
24⅞	15¼	Zapata	.84	5.1	13	62	16⅞	16⅞	16½	+ ⅛
49	28⅞	Zayre	.40b	.9	12	553	46	44½	45½	+ ⅝
35⅞	20	ZenithE			7	1083	22⅛	21⅞	22	+ ¼
27⅞	18	Zero	.40	1.9	16	27	21⅞	21	21⅞	+ ⅞
34	21⅛	Zurnin	1.32	5.2	11	66	25½	25¼	25¼	− ⅛

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 per cent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a–dividend also extra(s). b–annual rate of dividend plus stock dividend. c–liquidating dividend. cld–called. d–new yearly low. e–dividend declared or paid in preceding 12 months. g–dividend in Canadian funds, subject to 15% non-residence tax. i–dividend declared after split-up or stock dividend. j–dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k–dividend declared or paid this year, an accumulative issue with dividends in arrears. n–new issue in the past 52 weeks. The high-low range begins with the start of trading. nd–next day delivery. P/E–price-earnings ratio. r–dividend declared or paid in preceding 12 months, plus stock dividend. s–stock split. Dividends begins with date of split. sls–sales. t–dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u–new yearly high. v–trading halted. vi–in bankruptcy or receivership or being reorganised under the Bankruptcy Act, or securities assumed by such companies. wd–when distributed. wi–when issued. ww–with warrants. x–ex-dividend or ex-rights. xdis–ex-distribution. xw–without warrants. y–ex-dividend and sales in full. yld–yield. z–sales in full.

WORLD STOCK MARKETS

AUSTRIA

Nov. 20	Price Sch.	+ or —
Creditanstalt	227	+3
Goesser	328	+2
Interunfall	388	..
Laenderbank	226	+2
Perlmooser	355	+2
Steyr-Daimler	159	+4
Veitscher Mag	240	+8

BELGIUM/LUXEMBOURG

Nov. 20	Price Frs.	+ or —
B.B.L.	1,800	.....
Banq. Int. A. Lux	5,475	.....
Bekaert B.	4,300	-40
Ciment CBR	2,400	-100
Cockerill	285	-2
Delhaize	6,790	-10
EBES	2,805	-80
Electrobel	6,470	-10
Fabrique Nat	2,060	-65
GB Inno BM	3,200	..
GBL (Brux)	2,040	-160
Gevaert	3,400	-140
Hoboken	6,060	-20
Intercom	2,110	-40
Kredietbank	7,480	-30
Pan Hldgs.	9,680	....
Petrofina	7,190	-30
Royale Belge	10,050	....
Soc. Gen. Banq	4,260	+60
Soc. Gen. Belge	1,795	-15
Sofina	7,850	-90
Solvay	4,090	-50
Stanwick Intl.	1,420	..
[illegible]actionel	3,865	-65
[illegible] CB	5,040	-20
[illegible]agon Lits	2,450	-40

DENMARK

Nov. 20	Price Kr. %	+ or —
Andelsbanken	272	-5
Baltic Skand	560	-10
CopHandelsbank	273	-5
D. Sukkerfab	540	-5
Danske Bank	270	-5
De Danske Luft	1,070	-30
East Asiatic	165	-1
Forenede Brygg.	740	.....
Forenede Damp.	94	.....
GNT Hldg	380	.....
I.S.S.B.	400	-5
Jyske Bank	500	-15
Novo Ind.	1,340	....
Privatbanken	242	-4
Provinsbanken	332	-4
Smidth (F)	233	..
Sophus Berend	895	-15
Superfos	437	..

FRANCE

Nov. 20	Price Frs.	+ or —
Emprunt 4½% 1973	1,700	-15
Emprunt 7% 1973	9,079	+6
Accor	259	-1
Air Liquide	546	+3
BIC	488	-3
Bongrain	1,751	+11
Bouygues	654	—
BSN Gervais	2,520	+30
CIT Alcatel	1,345	+25
Carrefour	1,820	-3
Club Mediter'r	1,037	+1
Cie Bancaire	580	+10
Cofimeg	231	-2
Damart	2,400	-30
Darty	1,190	—
Dumez S.A.	640	-5
Eaux (Cie Gen)	535	+13
Elf-Aquitane	234	-1
Essilor	2,810	-10
Gen. Occidentale	679	-1
Imetal	80.9	-3.1
Lafarge Coppee	375	-1
L'Oreal	2,500	+4
Legrand	1,900	-5
Maisons Phenix	169.7	-0.2
Matra S.A.	1,748	-7
Michelin B	785	+20
Midi (Cie)	1,932	+2
Moet-Hennessy	1,781	-7
Moulinex	92.3	-2.1
Nord Est.	71.3	-0.15
Pernod Ricard	742	+8
Perrier	490.5	-4.5
Petroles Fra.	237	+1
Peugeot S.A.	201.5	+0.5
Printemp.Aus.	185.5	-1
Radiotech	218	..
Redote	1,216	+6
Roussel-Uclaf	1,545	-45
Sefimeg	276	-1
SkisRossignol	1,709	-11
Telemech Elect	2,060	-5
Thomson CSF	363	-1
Valeo	241.5	-0.5

NOTES — Prices on this page are as quoted on the individual exchanges and are last traded prices. Dealings suspended. xd Ex dividend. xc Ex scrip issue. xr Ex rights. xa Ex all.

GERMANY

Nov. 20	Price Dm.	+ or —
AEG-Telef	106.3	+0.8
Allianz Vers	1,020	+4
BASF	169.5	+0.8
Bayer	179.6	+0.8
Bayer-Hypo	313	+4.0
Bayer-Verein	323	+1
BHF-Bank	275.5	+2.5
BMW	374.5	+0.5
Brown Boveri	198.5	+3
Commerzbank	178.9	-2.2
Cont'l. Gummi	115.5	+1.5
Daimler-Benz	559.5	+2.0
Degussa	360.0	-5.1
D'sche Babcock	145.0	-0.5
Deutsche Bank	378.2	-2.2
Dresdner Bank	185.0	+1.5
GHH	151.5	+0.5
Hochtief	470	....
Hoechst	177.0	+1.3
Hoesch Werke	103.1	+0.5
Holzmann (P)	352	-2
Horten	184.0	+0.5
Hussel	294	-3
Karstadt	245.5	+1
Kaufhof	228.0	+0.5
KHD	250	-1.0
Kloeckner	72.3	+0.8
Linde	359.5	+1.5
Lufthansa	176	+1
MAN	147.5	+2.3
Mannesmann	147.5	+2.3
Mercedes Hld.	486	+2
Metallgesell.	219.9	+0.4
Muench Rueck	1,175	.....
Nixdorf	530	+3
Porsche	1015	-17
Preussag	252.5	+1.5
Rhein West Elect	165.0	-0.5
Rosenthal	253	-2.0
Schering	397.0	+3.8
Siemens	456.5	+5.5
Thyssen	81.6	+0.4
Varta	177	-1
Veba	167.6	+1.3
V.E.W.	122.5	+0.6
Verein-West.	293	...
Volkswagen	194.5	+0.5

ITALY

Nov. 20	Price Lira	+ or —
Banca Com'le	15,475	-25
Bastogi-IRBS	112	+3.75
Centrale	2,169	+16
Credito Varesino	3,880	+80
Fiat	1,876	+45
Finsider	44.5	
Generali Assicur.	30,400	+340
Invest	2,875	+65
Italcementi	61,600	+800
La Rinascenti	492	+6
Montedison	1,195	+33
Olivetti	5,961	+81
Pirelli Co.	3,120	+60
Pirelli Spa	1,650	-120
Snia BPD	1,970	+21
Toro Assic.	11,499	-1
do. Pref.	8,450	+10

NETHERLANDS

Nov. 20	Price Fls	+ or —
ACF Holding	179.5	-0.5
AEGON	131	+2.5
Ahold	176.5	..
AKZO	93.6	+1.7
ABN	331.5	+0.5
AMEV	189.5	+0.7
AMRO	63.3	+0.7
Bredero Cert.	163	+0.5
Bos Kalis Westm.	15	..
Buehrmann-Tet.	66	+0.2
Calland Hldgs.	30.7	..
Dordtsche Pet'm	15 8	-2½
Elsevier-NDU	107.	..
Fokker	69.5	..
Gist Brocades	156.2	+0.7
Heineken	138	+1
Hoogovens	60.4	-0.4
Int Mueller	35.6	-0.3
KLM	40xc	-0.1
Naarden	42.8	+0.3
Nat Ned Cert	241	-1
Ned M d Bank	142	-1
Nedlloyd	143	+1
Oce Grinten	272	+2
Ommeren (Van)	27.4	+0.8
Pakhoed	61.2	+0.7
Philips	53.3	....
Robeco	66.4	-0.1
Rodamco	134.7	-0.1
Rolinco	62.6	-0.3
Rorento	42.5	..
Royal Dutch	170.5	-0.5
Unilever	297	+1.5
VMF Stork	127	-2.2
VNU	188.8	-0.5
West Utr Bank	104.7	-0.2

NORWAY

Nov. 20	Price Kroner	+ or —
Bergens Bank	156	-1
Borregaard	301	-6
Christiania Bank	154	-3
DenNorske Cred	156	-2
Elkem	123	+3
Kvaerner	172	-2.5
Norsk Data	364	-7
Norsk Hydro	112.5xa	-0.5
Storebrand	197	+1

SPAIN

Nov. 20	Price Pta %	+ or —
Bco Bilbao	324	+2
Bco Central	331	+3
Bco Exterior	205	..
Bco Hispano	230	+5
Bco Popular	390	+6
Bco Santander	330	..
Dragados	163	+2
Hidrola	74.5	-2.7
Iberduero	64.7	+1.7
Petroleos	142	+2.3
Telefonica	95	+1.5

SWEDEN

Nov. 20	Price Kronor	+ or —
AGA	335	.....
Alfa-Laval	179	-1
ASEA (Free)	362	-6
Astra (Free)	320	-10
Atlas Copco	98	-1
Cardo (Free)	215	-3
Cellulosa	117	.....
Electrolux B	217	-3
Ericsson	266	-20
Esselte	263	-2
Mo Och Domsjo	240	.....
Pharmacia	179	-2
Saab Scania Free	445	.....
Sandvik	359	.....
Skandia	290	.....
Skan Enski'da	63	.....
SKF	159	.....
St Kopparbergs	150	-3
Sven Handlesbn.	179	-1
Swedish Match	255	-5
Volvo B (Free)	198	-5

SWITZERLAND

Nov. 20	Price Frs.	+ or —
Alusuisse	751	-2
Bank Leu	3,725	+50
Brown Boveri	1,340	-5
Ciba Geigy	2,445	-5
do. (Part Certs)	1,940	+5
Credit Suisse	2,270	-15
Elektrowatt	2,475	-15
Fischer (Geo.)	601	.....
Hoff-RochePtCts	86,125	-1125
Hoff-Roche 1/10	8,650	-50
Jacobs Suchard	6,050	-25
Jelmoli	1,850	-20
Landis & Gyr	1,540	.....
Nestle	5,250	-10
Oer-Buehrle	1,315	-5
Pirelli	245	+2
Sandoz (Br)	7,000	-25
Sandoz (PtCts)	1,115	-5
Schindler (PtCts)	635	+15
Sika	1,000	-10
Surveillance	3,660	-10
Swissair	1,000	-5
Swiss Bank	349	-2
Swiss Reinsce	7,265	.....
Swiss Volksbk	1,460	.....
Union Bank	3,475	-15
Winterthur	3,220	-10
Zurich Ins	17,900	+50

AUSTRALIA

Nov. 20	Price Aust $	+ or —
ANZ Group	5.26	-0.1
Alliance Oil Dev.	1.05	.....
Ampol Pet.	1.8	-0.02
Ashton	0.85	-0.02
Aust Cons Ind.	1.95	-0.02
Aust. Guarantee	2.98	.....
Aust. Nat. Inds	2.6	-0.02
Aust. Paper	2.3	-0.02
Bell Group	5.8	+0.1
Bell Res	5.4	.....
Bond Corp Hldgs	1.6	-0.05
Boral	3.30	.....
Bougainville	1.91	-0.05
Brambles Inds.	3.54	-0.05
Bridge Oil	2.55	-0.11
B.H. Prop	10.7	+0.05
CR	5.36	.....
CSR	3.08	-0.01
Carlton Utd	4.30	.....
Castlemaine Tys.	5.02	+0.02
Coles (G.J.)	4.15	-0.01
Comalco "A"	2.5	-0.1
Consolidated Pet	0.57	-0.01
Costain Aust.	1.4	-0.05
Dunlop Aust.	1.87	+0.02
Elders IXL	5.40xc	.....
Energ Res	1.48	.....

AUSTRALIA (continued)

Nov. 20	Price Aust. $	+ or —
Gen Prop Trust	2.22	+0.02
Hardie (James)	3.32	-0.01
Hartogen Energy	2.66	+0.15
Herald W'yTimes	4.3	-0.05
ICI Aust.	2.12	.....
Jimberlana F.P.	0.43	.....
Kia Ora Gold	0.14	...
Lend Lease	5.56	-0.04
MIM	2.82	+0.02
Mayne Nickless	3.65	.....
Myer Emporium	1.8	-0.01
Nat. Aust. Bank	3.56xd	-0.02
News	9.4	.....
Nicholas Kiwi	5.1	.....
North Bkn Hill	2.21	-0.04
Oakbridge	0.68	-0.08
Pancont'l	1.2	-0.04
Pioneer Conc.	1.66	-0.01
Poseidon	3.55	-0.15
Queensland Coal	1.15	-0.01
Reckitt & Coln	3.1	-0.05
Repco	1.24	-0.01
Santos	6.36	-0.06
Smith (Howard)	3.82	.....
Thos. Natwide	1.85	+0.05
Tooth	5.7	.....
Vamgas	3.8	+0.15
Western Mining	3.36	+0.01
Westpac Bank	3.9	-0.04
Woodside Petrol.	1.17	+0.06
Woolworths	2.7	-0.02
Wormald Intl	3.02	+0.02

HONG KONG

Nov. 20	Price H.K.$	+ or —
Bank East Asia	21.7	.....
Cheung Kong	8.5	.....
China Light	16.5	+0.1
Evergo	1.52	.....
Hang Seng Bank	38.75	.....
HK Electric	6.8	+0.05
HK Kowloon Wh.	4.45	+0.1
HK Land	3.52	-0.02
HK Shanghai Bk.	6.75	.....
HK Telephone	45.5	+0.5
Hutchison Wpa.	15.1	.....
Jardine Math.	7.7	.....
New World Dev.	3.87	-0.03
Orient O'seas	2.7	.....
Oseas Trust Bk.	2.5	-0.1
SHK Props	7.15	-0.01
Shell Elect.	1.67	.....
Swire Pac A	19.3	.....
TV—B	4.8	+0.05
Wheel'k Mard A.	3.65	.....
Wheel'k M'time	1.46	.....
World Int. Hldgs.	1.4	+0.02

JAPAN

Nov. 20	Price Yen	+ or —
Ajinomoto	1,110	...
Alps Electric	2,040	-20
Amada	1,110	+30
Asahi Chem	562	-3
Asahi Glass	830	.....
Bridgestone	570	+13
Canon	1,500	.....
Casio Comp	1,630	-10
Chugai Pharm	1,060	.....
Citizen	585	-5
Daiei	630	.....
Dai Nippon Ptg	1,020	-10
Daiwa House	536	+2
Ebara	348	-5
Eisai	1,540	-30
Fanuc	11,290	+30
Fuji Bank	1,060	.....
Fuji Film	1,570	+10
Fujisawa	1,070	+30
Fujitsu	1,360	-10
Green Cross	1,700	+70
Hasegawa	356	.....
Heiwa Real Est	555	-1
Hitachi	850	-2
Hitachi Credit	1,100	.....
Honda	1,240	.....
House Food	720	.....
Hoya	2,500	-10
Itoh (C)	295	+2
Ito. Yokado	2,490	-20
Iwatsu	1,460	-10
JACCS	318	-2
JAL	5,320	+20
Jusco	771	-13
Kajima	278	+1
Kao Soap	795	-2
Kashiyama	630	.....
Kirin	531	-3
Kokuyo	923	-17
Komatsu	432	-2
Konishiroku	666	-4
Kubota	321	.....
Kumagai	426	-4
Kyoto Ceramic	7,400	-20
Maeda Const	474	+4
Makino Milling	1,280	+10
Myakita	1,070	+20
Marubeni	296	-8
Marudai	560	-5
Marui	1,080	-20
MEI	1,410	.....
M'ta Elec Works	638	+7
M'bishi Bank	1,030	+10
M'bishi	515	+4
M'bishi Elec	400	-3
M'bishi Estate	491	+1

JAPAN (continued)

Nov. 20	Price Yen	+ or —
MHI	235	-1
Mitsui Co	325	-1
Mitsui Estate	665	-5
Mitsukoshi	346	-1
NGK Insulators	925	-5
Nihon Cement	208	-1
Nippon Denso	1,420	-20
Nippon Elect	1,250	-10
Nippon Gakki	1,470	-30
Nippon Kokan	137	.....
Nippon Oil	930	+12
Nippon Seiko	663	-10
Nippon Shimpan	815	-6
Nippon Steel	149	-2
Nippon Suisan	318	-3
NTV	12,700	-300
Nippon Yusen	253	+2
Nissan Motor	600	.....
Nisshin Flour	494	-4
Nisshin Steel	170	-3
Nomura	750	-2
Olympus	1,120	.....
Orient Leasing	3,450	-100
Pioneer	2,280	-50
Renown	830	.....
Ricoh	970	+5
Sankyo	978	+29
Sanyo Elect	515	.....
Sapporo	383	+1
Sekisui Prefab	572	.....
Seven-Eleven	9,050	+80
Sharp	1,070	.....
Shimadzu	795	-30
Shionogi	728	.....
Shiseido	1,200	.....
Sony	3,620	-20
Stanley	952	-7
S'tomo Bank	1,850	.....
S'tomo Elect	959	+9
S'tomo Marine	331	-3
S'tomo Metal	148	-2
Taihei Dengyo	752	.....
Taisei Corp	195	+1
Taisho Pharm	949	-14
Takeda	792	-2
TDK	4,910	-40
Teijin	415	-6
Teikoku Oil	800	.....
Tokyo Marine	664	-8
TBS	808	-17
Tokyo Elect Pwr	1,600	.....
Tokyo Gas	162	-4
Tokyo Sanyo	703	.....
Tokyo Style	720	+1
Tokyu Corp	278	+5
Toppan Print	696	.....
Toray	416	.....
Toshiba Elect	417	-2
TOTO	564	+3
Toyo Seikan	685	.....
Toyota Motor	1,260	.....
Victor	2,020	.....
Wacoal	755	.....
Yamaha	610	-2
Yamanouchi	1,900	-50
Yamazaki	542	.....
Yasuda Fire	327	-10
Yokogawa Bdge	448	-17

SINGAPORE

Nov. 20	Price $	+ or —
Boustead Hldgs	1.66	-0.01
Cold Storage	3.46	-0.02
DBS	6.85	-0.05
Genting	4.7	.....
Haw Par Bros	2.67	-0.02
Hong Leong Fin	2.88	-0.01
Inchcape Bhd	2.6	-0.05
Keppel Shipyard	1.61	+0.03
Malay Banking	6.6	.....
Malay Utd Ind	2.25	+0.01
Multi Purpose	0.9	.....
OCBC	8.8	.....
OUB	3.74	.....
Public Bank	1.63	+0.01
Sime Darby	1.84	+0.01
Straits Trdg	4.44	+0.02
Tat Lee Bk	2.92	-0.02
UOB	4.14	-0.06

SOUTH AFRICA

Nov. 20	Price Rand	+ or —
Abercom	1.50	.....
AE&Cl	7.85	.....
Anglo Am Coal	38.75	-0.25
Anglo Am Corp	24.65	-0.1
Anglo Am Gold	167.5	-0.5
Barclays Bank	17.05	+0.05
Barlow Rand	11.0	+0.07
Buffels	79.5	.....
CNA Gallo	2.4	+0.1
Currie Finance	4.3	.....
De Beers	8.48	-0.07
Driefontein	65.25	.....
FS Geduld	57	.....
Gold Fields SA	28.75	-0.75
Highveld Steel	4.2	-0.05
Nedbank	12.8	-0.2
OK Bazaars	14.75	+0.25
Protea Hldns	1.7	.....
Rembrandt	28.75	.....
Rennies	13.5	+0.25
Rust Plat	15.8	-0.1
Sage Hldgs	7.2	.....
SA Brews	6.5	+0.05
Smith (CG)	22.75	+2.25
Tongaat Hulett	8.1	.....
Unisec	4.5	+0.5

OVER-THE-COUNTER *Nasdaq national market, closing prices*

Stock	Sales (Hnds)	High	Low	Last	Chng
[illegible]					

LONDON

Chief price changes (in pence unless otherwise indicated)

RISES

Alcroyd Smithers	390	+ 20
Elson & Robbins	78	+ 10
Extel	350	+ 5
Hambros	135	+ 10
Heath (C.E.)	490	+ 20
Home Charm	230	+ 10
Our Price	315	+ 7
Photo-Me	980	+ 30
Spear (J.W.)	120	+ 6
Stewart Wrightson	425	+ 20
TI	238	+ 4
Yorkshire Chem.	81	+ 3

FALLS

Currys	465	- 20
Diploma	440	- 12
Gent (S.R.)	132	- 6
HAT	110	- 8
Hambro Life	440	- 8
ICI	646	- 10
MK Electric	318	- 7
Metal Box	340	- 12
Plessey	202	- 4
Polly Peck	237	- 9
Readicut	27	- 2½
Somic	28	- 7
BP	492	- 13
Britoil	217	- 8
Shell Transport	632	- 8

Continued on Page 42

CANADA

TORONTO

Closing prices November 20

Sales	Stock	High	Low	Close	Chng
[illegible]					

MONTREAL

Closing prices November 20

Sales	Stock	High	Low	Close	Chng
[illegible]					

AMERICAN STOCK EXCHANGE CLOSING PRICES

Continued from Page 33

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close	Ch'ge Prev. Close
[illegible]										

[illegible]

LONDON STOCK EXCHANGE

MARKET REPORT

Proximity of British Telecom inhibits interest and markets drift lower

Account Dealing Dates

Option

*First Dealings	Declarations	Last Dealings	Account Day
Oct 29	Nov 8	Nov 9	Nov 19
Nov 12	Nov 22	Nov 23	Dec 3
Nov 26	Dec 6	Dec 7	Dec 17

* "New-time" dealings may take place from 9.30 am two business days earlier.

The looming privatisation of British Telecom continued to pre-occupy London stock markets yesterday. The search for the elusive application forms for the UK's largest-ever share issue consumed investment thoughts and allowed little time for more routine activities. Leading equities consequently drifted lower in idle trading conditions before steadying late in the session. Government securities also gave ground.

Sentiment was influenced to some extent by U.S. financial market trends and the current debate about short-term interest rate movements. Investors hopeful of cheaper American money became a little more optimistic following the announcement of the latest U.S. Gross National Product. News of a smaller-than-expected rise of 1.9 per cent in the third quarter set bond and equity values on a recovery in the early Wall Street trade.

Some London dealers encountered sporadic sales which may have represented the need to raise funds for British Telecom, but most were convinced that the necessary financing had been completed. Selling pressure overall was extremely light with few equity traders being given the chance to square short book positions.

The Oil sector suffered more than most because of growing pressures for a reduction in North Sea oil prices. British Petroleum fell 13 to 492p, but ICI was the only other constituent of the FT Industrial Ordinary share index to record a double-figure loss. Citibank's surprise move in lowering its UK base lending rate by ¼ to 9¼ per cent came too late to help sentiment and the index closed 6.3 down at 912.6; at 3.00 pm, it had been 8.4 lower.

Turnover in Gilt-edged securities was particularly low and quotations eased before staging a tentative rally in the mid-afternoon on more favourable U.S. bond market trends. In the after-hours' business, however, Gilts softened again and selected longer-dated stocks settled ¼ down on balance despite Citibank's late announcement. Only index-linked issues resisted the downturn following scattered demand for near-dated maturities.

C. E. Heath advance

Lloyds Brokers made the running in Insurances helped initially by currency considerations and later by better-than-expected interim results from C. E. Heath. The latter jumped 20 to 490p on news of the 47 per cent jump in first-half earnings, while Stewart Wrightson closed the same amount dearer at 425p. PWS International firmed 8 at 353p and Sedgwick hardened a couple of pence to 281p. Elsewhere, renewed profit-taking clipped a further 8 from Hambro Life, at 440p. Prudential eased 5 to 470p and Equity and Law cheapened 4 to 208p, while Sun Life gave up 3 at 890p. London and Manchester, however, improved 3 to 600p; the group announced that it is to raise £200m via a syndicated loan to finance mortgage lending. Composites drifted lower for want of support. Commercial Union, which last week reported a £30.6m third-quarter loss, softened a couple of pence more to 165p.

A lethargic banking sector was enlivened by Hambros, which rose 10 to 155p on the announcement that after more than a year of negotiations, the group has found a buyer for its loss-making oil and gas interests in the U.S. Guinness Peat, despite the denial of a Boardroom rift, cheapened a penny to 49p. Barclays, which on Monday reduced its base lending rate by ½ point, hardened 2 to 517p, but other clearers gave ground. Midland dropped 4 to 351p and NatWest eased 2 to 553p.

The lethargic equity market scene was brightened a little by the highly successful debut of specialist plastic sheet manufacturer Wardle Storeys which opened 30 above the offer-for-sale price of 132p and eventually settled at 160p.

Leading Breweries finished a shade easier for choice. Whitbread gave up a couple of pence to 195p in front of today's interim results that could set the tone for the pending dividend season. Allied-Lyons, interim figures scheduled for next Tuesday, also eased 2 to 170p.

Leading Buildings displayed minor movements in either direction. Barratt Developments encountered nervous offerings in front of today's annual meeting and eased to 86p prior to closing 2 cheaper at 88p. On the other hand, BPB Industries hardened a couple of pence to 300p on news that the group is to implement a 5 per cent plasterboard price increase from next January. Among secondary issues, interim profits some £1m below market estimates prompted a fall of 9 to 110p in HAT Group, but Press mention helped Walter Lawrence improve 4 to 212p. Old takeover favourite Ibstock Johnsen revived and touched 252p before settling 3 dearer on balance at 248p.

ICI remained a dull market on Wall Street influences and the close was a net 10 down at the day's lowest of 646p. Among other Chemicals, Yorkshire attracted speculative demand and firmed 3 to 61p, but Scottish Agricultural Industries met occasional selling and fell 10 to a 1984 low of 302p.

Currys react

Digestion of Currys' latest bid defence brought scant comfort to holders and the shares of the electrical retailing chain dipped 20 to 465p; a number of brokers advised holders to minimise the downside risk by averaging in the market. Suitors Dixons eased a penny to 378p; the shares and cash offer values Currys at 499p per share. Home Charm continued the recent re-rating and advanced 10 more to 230p following a visit by several brokers to the group's bulk operation at Hemel Hempstead. Our Price rose 7 more to a new high of 315p on renewed support in front of the vital pre-Christmas sales period. In contrast, S. R. Gent remained a nervous market and gave up 6 more at 152p in the wake of the chairman's caution at the annual meeting.

The Store leaders lacked a decided trend, although buyers again appeared for Woolworth, which improved 10 more for a two-day gain of 27 to 570p.

Plessey, still affected by adverse comment in the wake of last week's disappointing second-quarter figures, lost 4 more to 202p, after 200p. GEC declined the same amount to 218p and BICC eased 3 to 230p. Elsewhere, MK fell 7 to 318p, after 315p, on nervous offerings ahead of today's interim results, while United Scientific reflected fading takeover hopes at 220p, down 5. BSR, on the other hand, rallied a few pence to 135p, but Applied Holographic, unaltered at the overnight level of 200p, made no response to the announcement that Globe Investment Trust has increased its holding in the company to 5.46 per cent.

Rumours of a U.S. bid or, of a possible stake build-up, continued to attract buyers to TI which improved 4 more to 238p. Other Engineerings moved in the opposite direction and Hawker softened 2 to 407p, while Vickers slipped 3 to 189p. Elsewhere, Wheway Watson edged forward a penny to 8½p and Stothert and Pitt gained 4 to 156p.

Leading Foods sustained modest losses. Tate and Lyle, a good market on Monday as takeover rumours resurfaced, slipped a couple of pence to 428p, while Rowntree Mackintosh, another of the sector's bid candidates, gave up 4 at 356p. Elsewhere, Meadow Farm Products attracted support ahead of Friday's interim results and firmed 5 to 252p, but Bassett, half-year figures due on November 29, fell 7 to 156p.

Metal Box fall

Metal Box followed Monday's decline of 8 with a further fall of 12 to 340p, after 336p, on disappointment with the modest improvement in interim profits coupled with the Board's unenthusiastic remarks about second-half prospects. Elsewhere in miscellaneous industrials, Diploma lost 12 to 440p, after 438p, following profit-taking in the wake of the good annual results and proposed stock-split. Polly Peck, interim results scheduled for early next month, dropped 9 to 237p, while Electrolux eased ¾ to £20¼ on the third-quarter figures. Still reflecting the recent poor results, Somic dipped 7 more to 28p, but Elson and Robbins jumped 10 to 78p in response to the agreed shares and cash offer from Hartons, 2 down at 48p. Photo-Me advanced 30 more for a two-day rise of 140 to 980p on Press comment and TNT improved 4 to 128p after increased first-quarter earnings. Ahead of tomorrow's interim results, Extel added 5 afresh at 350p, while J. W. Spear attracted demand at 126p up 6. Wolseley Hughes improved 7 to 570p and Valor moved up 4 to 171p. Marshalls Universal were a late firm spot and ended 5 dearer at 50p.

Favourable Press comment continued to stimulate Pleasurama, up 5 more at 365p, but lack of support left Riley Leisure 3 down at a 1984 low of 30p.

Publishers showed modest gains where altered. Haynes rose 5 to 248p in belated response to Press comment, while Link House improved a like amount to 560p.

Interest in leading Properties remained at a low ebb and quotations barely stirred. Elsewhere, buying ahead of next Monday's half-timer left Sterling Guarantee a penny dearer at 58½p while further consideration of the good annual results helped USM-quoted Hardanger gain 4 to a 1984 peak of 181p. Renewed buying in a restricted market lifted Country and New Town 3 to 109p, but Espley Trust remained a sensitive market and closed 3 down at 15p, after 19p.

Textiles continued to display narrow mixed movements. Readicut International eased 2½ to 27p despite the increased first-half profits and resumed interim dividend. Bulmer and Lumb, due to announce mid-term figures today, shed 2 more to 77p, while recent speculative favourite Tootal gave up a similar amount at 62p. Lister, however, attracted "call" option business following comment and hardened the turn to 52p.

New Court Trust hardened 6 to 348p in response to the preliminary figures, but news that the bid talks had been terminated clipped a couple of pence from Winterbottom Energy Trust, at 94p. Fashion and General gave up 20 to 295p following reduced annual earnings. Financials highlighted stockjobbers Ackroyd and Smithers which advanced 20 to 390p after revealing full-year profits at the top end of market estimates.

Oils dull

Renewed weakness in spot oil prices amid fears that North Sea and OPEC official pricing levels could well come under further pressure prompted another nervous session in oils. BP were particularly unsettled and fell to 491p before rallying to 495p and settling a net 13 lower at 492p. Britoil and Shell lost 8 apiece to 217p and 622p respectively, the latter after a day's low of 618p.

Irish issues were neglected, but Bula Resources attracted speculative interest and hardened 2 to 16p, after 17p. Elsewhere, Steaua Romana were suspended at 33p at the outset of trading ahead of news of the proposed acquisition of oil and gas production plus exploration acreage in the U.S. from Sulpetro United States; the acquisition will be financed by a rights issue in the ratio of one-for-two at 32p to raise a minimum of £1.27m, existing cash resources and bank borrowing. Steaua Romana also proposes to apply for a USM quotation.

Golds subdued

A slightly firmer dollar and another quiet performance by the bullion price ensured a subdued showing by mining markets. South African Golds lost ground for the third successive trading day but the losses were generally minimal and owed more to lack of interest than actual selling pressure. Bullion held steady throughout the session and closed a net 75 cents up at 342.75 an ounce.

The majority of the leading Golds were marked down initially and thereafter drifted in idle trading. Randfontein and Vaal Reefs dipped a point apiece to £95¾ and £52¾ respectively, while Southvaal gave up ½ at £37¾. Cheaper-priced issues held relatively steady and posted minor gains in places. The Gold Mines index eased 0.6 more to 561.0, extending the decline over the three days to one of 20.2.

South African Financials continued to drift with the exception of Rand Mines Properties which drew renewed support from Johannesburg and closed a further 15 better at 640p.

Australians were usually a shade easier where changed in line with the trend in overnight Sydney and Melbourne markets. Among the leaders, Peko-Wallsend lost 4 at 370p, while Bougainville and North Broken Hill eased a couple of pence to 131p and 152p respectively. Golds turned easier, but Whim Creek moved against the trend with a gain of 6 more to 194p.

The lacklustre conditions in London equities were mirrored by Traded Options. Total contracts struck amounted to 3,598 with business being fairly evenly split between calls and puts. The FT-SE 100 index accounted for 371 calls and 925 puts; much of the latter business was transacted in the December 1150's and March 1100's which recorded 354 and 357 trades respectively. A two-way trade developed in Racal which attracted 130 calls and 146 puts, the majority of the latter being struck in the November 280's.

FINANCIAL TIMES STOCK INDICES

	Nov. 20	Nov. 19	Nov. 16	Nov. 15	Nov. 14	Nov. 13	Year ago
Government Secs	83.04	83.14	83.33	83.21	83.29	83.43	83.46
Fixed Interest	86.28	86.34	86.32	86.18	86.14	86.17	86.17
Industrial Ord	912.6	919.1	920.0	911.6	923.7	924.3	725.7
Gold Mines	561.0	561.6	575.8	581.2	578.2	565.6	479.8
Ord. Div. Yield	4.68	4.65	4.64	4.68	4.63	4.63	4.75
Earnings, Yld.% (full)	11.26	11.19	11.18	11.27	11.14	11.14	9.71
P/E Ratio (net)	10.64	10.71	10.72	10.63	10.75	10.75	12.57
Total bargains (Est.)	20,199	20,111	19,418	21,657	20,320	22,537	20,013
Equity turnover £m	—	244.04	284.64	285.45	285.06	380.36	223.01
Equity bargains	—	15,436	16,567	16,685	17,450	18,880	16,951
Shares traded (ml)	—	125.9	142.6	178.2	157.1	208.3	133.0

10 am 917.0. 11 am 912.6. Noon 911.1. 1 pm 910.7. 2 pm 910.7. 3 pm 910.7.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Industrial 1/7/35. Gold Mines 12/9/55. SE Activity 1974.

Latest Index 01-246 8026. * Nil=10.22.

HIGHS AND LOWS

	1984 High	1984 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs	83.77 (8/1)	75.72 (30/7)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	87.48 (14/3)	80.43 (30/7)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	924.3 (13/11)	755.3 (23/7)	924.3 (13/11/84)	49.4 (26/6/40)
Gold Mines	711.7 (9/3)	485.7 (1/8)	734.7 (15/2/83)	43.5 (26/10/71)

S.E. ACTIVITY

	Nov. 19	Nov. 16
Daily Gilt Edged Bargains	165.6	139.3
Equities Bargains	100.1	101.0
Equities Value	493.3	575.3
5-day Average Gilt Edged Bargains	152.6	154.5
Equities Bargains	109.1	114.5
Equities Value	598.1	618.7

NEW HIGHS AND LOWS FOR 1984

NEW HIGHS (52)

BRITISH FUNDS (3)
Treas. 3pc 1986; Exchqr. 2½pc 1987; Exchqr. 2½pc 1986

INT. BK. & O'SEAS GOVT. STLG. ISS. (1)
Mexico 16½pc 2008

LOANS (1)
Nationwide Bldg. Soc. 12¼pc 5.8.85

CANADIANS (2)
Rio Algom; Trans Canada Pipe

BUILDINGS (1)
Baggeridge Brick

CHEMICALS (2)
Morceau; Wolstenholme Rink

STORES (5)
Home Charm; MFI Furniture; Do. 7pc Cnv.Uns.; Our Price; Sn. 1997-2004; Woolworth

ELECTRICALS (1)
TDS Circuits

ENGINEERING (4)
Cronite; Neill (James); Desoutter Bros.; Tex Abrasives

FOODS (1)
Meadow Farm Prod.

INDUSTRIALS (12)
Baird (Wm.); Plastic Constructions; Booker McConnell; Spear (J. W.); High-Point Services; Spong; Johnson Cleaners; Spring Ram; Pentos; Valor; Photo-Me Intl.; Wolseley-Hughes

INSURANCE (3)
Lond. Manch. Grp.; Willis Faber; PWS Intl.

NEWSPAPERS (4)
Haynes Publishing; News Intl. Spec. Div.; Link House; Octopus Publishing

PAPERS (3)
Bunzl; Lowe Howard-Spink; Fitch

PROPERTY (3)
Capital & Counties; Sterling Guarantee; Hardanger Properties

TRUSTS (5)
City & Comml. Cap.; Jove Inv. Cap.; Derby Trust Inc.; New Court Trust; Dualvest Cap.

MINES (1)
Gold & Base Metal

NEW LOWS (21)

AMERICANS (1)
Damson Oil

BUILDINGS (1)
Sheffield Brick

CHEMICALS (1)
Scot. Agricl. Inds

STORES (1)
Goodman Bros.

ELECTRICALS (2)
Security Tag Sys.; Systems Reliability

ENGINEERING (1)
Bensons Crisps

FOODS (1)

INDUSTRIALS (5)
Aaronite; Silentnight; Central Sheerwood; Star Computer; Ramco Oil

LEISURE (1)
Riley Leisure

MOTORS (1)
Plaxtons (G. B.)

PROPERTY (1)
Lond. & Manch. Sec

TEXTILES (1)
Munton Bros.

TRUSTS (1)
Transcont. Serv. Wts

OILS (1)
Bristol Oil & Mins.

MINES (2)
East Rand Prop.; Gopeng Berhad

RECENT ISSUES

EQUITIES

Issue price p	Amount paid up	Latest Renunc. date	1984 High	1984 Low	Stock	Closing price p	+or-	Net Div.	Times covered	Gross Yield	P/E Ratio
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FIXED INTEREST STOCKS

Issue price £	Amount paid up	Latest Renunc. date	1984 High	1984 Low	Stock	Closing price £	+or-
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

"RIGHTS" OFFERS

Issue price p	Amount paid up	Latest Renunc. date	1984 High	1984 Low	Stock	Closing price p	+or-
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Renunciation date usually last day for dealing free of stamp duty. [illegible]

OPTIONS

First Dealings	Last Dealings	Last Declaration	For Settlement
Nov 19	Nov 30	Feb 21	Mar 4
Dec 3	Dec 14	Mar 7	Mar 18
Dec 17	Jan 4	Mar 21	Apr 1

For rate indications see end of Share Information Service

Money was given for the call of Rowntree Mackintosh, Inter-City, Riley Leisure, Allstate Exploration, Newmetal Mines, Carless Capel and Leonard, Lister, Lasmo, Riley Leisure, Pentos, A & M Hire and Birmid Qualcast. A put was taken out in Dunlop, while doubles were struck in Dunlop, Polly Peck and Osceola.

ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday.

Stock	Closing price	Day's change
BP	492	-13
Britoil	217	-8
Currys	465	-20
Diploma	440	-12
HAT	110	-9
Heath (C. E.)	490	+20
ICI	646	-10
Metal Box	340	-12
P. & O. Deferred	303	[illegible]
Readicut International	27	-2½
TI	238	+4
Wardle Storeys	160	—

RISES AND FALLS YESTERDAY

	Rises	Falls	Same
British Funds	21	57	28
Corpns. Dom. and Foreign Bonds	2	17	59
Industrials	177	341	897
Financial and Props.	49	124	338
Oils	13	37	75
Plantations	2	4	15
Mines	46	45	101
Others	44	76	83
Totals	362	698	1,593

MONDAY'S ACTIVE STOCKS

Based on bargains recorded in Stock Exchange Official List.

Stock	No. of changes	Monday's close	Day's change
Tate & Lyle	17	430	[illegible]
Lucas Inds	14	[illegible]	[illegible]
Woolworth	13	560	[illegible]
BP	13	[illegible]	[illegible]
Shell Trans	12	[illegible]	[illegible]
Glaxo	[illegible]	[illegible]	[illegible]
Thorn EMI	[illegible]	[illegible]	[illegible]
Spong	[illegible]	[illegible]	[illegible]
BAT Inds	[illegible]	[illegible]	[illegible]
BTR	[illegible]	[illegible]	[illegible]
Barclays Bank	[illegible]	[illegible]	[illegible]
Comm Union	[illegible]	[illegible]	[illegible]
Grand Met	[illegible]	[illegible]	[illegible]
Hambro Life	[illegible]	[illegible]	[illegible]

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Tues Nov 20 1984 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Mon Nov 19 Index No.	Fri Nov 16 Index No.	Thur Nov 15 Index No.	Wed Nov 14 Index No.	Year ago (approx.) Index No.
1 CAPITAL GOODS (205)	540.93	-0.7	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
2 Building Materials (23)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
3 Contracting, Construction (30)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
4 Electricals (14)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
5 Electronics (34)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
6 Mechanical Engineering (61)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
8 Metals and Metal Forming (9)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
9 Motors (17)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
10 Other Industrial Materials (17)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
21 CONSUMER GROUP (190)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
22 Brewers and Distillers (23)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
25 Food Manufacturing (22)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
26 Food Retailing (12)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
27 Health and Household Products (9)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
29 Leisure (23)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
32 Newspapers, Publishing (13)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
33 Packaging and Paper (14)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
34 Stores (46)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
35 Textiles (19)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
36 Tobacco (3)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
39 Other Consumer (7)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
41 OTHER GROUPS (88)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
42 Chemicals (17)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
44 Office Equipment (4)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
45 Shipping and Transport (13)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
46 Miscellaneous (54)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
49 INDUSTRIAL GROUP (483)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
51 Oils (17)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
59 500 SHARE INDEX (500)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
61 FINANCIAL GROUP (116)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
62 Banks (6)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
63 Discount Houses (6)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
65 Insurance (Life) (9)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
66 Insurance (Composite) (7)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
67 Insurance (Brokers) (6)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
68 Merchant Banks (12)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
69 Property (53)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
70 Other Financial (17)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
71 Investment Trusts (105)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
81 Mining Finance (4)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
91 Overseas Traders (14)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
99 ALL-SHARE INDEX (739)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
FT-SE 100 SHARE INDEX	1159.1	-8.3	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FIXED INTEREST

PRICE INDICES	Tues Nov 20	Day's change %	Mon Nov 19	xd adj. today	xd adj. 1984 to date
British Government					
1 5 years	118.56	+0.03	118.52	[illegible]	[illegible]
2 5-15 years	132.42	-0.14	132.61	[illegible]	[illegible]
3 Over 15 years	140.96	-0.20	141.25	[illegible]	[illegible]
4 Irredeemables	152.62	+0.13	152.43	[illegible]	[illegible]
5 All stocks	130.60	-0.09	130.72	[illegible]	[illegible]
6 Debentures & Loans	110.08	-0.14	110.23	[illegible]	[illegible]
7 Preference	76.98	—	76.98	[illegible]	[illegible]
BRITISH GOVERNMENT INDEX-LINKED STOCKS					
8 All stocks	107.96	+0.03	107.92	[illegible]	[illegible]

AVERAGE GROSS REDEMPTION YIELDS	Tues Nov 20	Mon Nov 19	Year ago (approx.)
British Government			
1 Low Coupons 5 years	[illegible]	[illegible]	[illegible]
2 15 years	[illegible]	[illegible]	[illegible]
3 25 years	[illegible]	[illegible]	[illegible]
4 Medium Coupons 5 years	[illegible]	[illegible]	[illegible]
5 15 years	[illegible]	[illegible]	[illegible]
6 25 years	[illegible]	[illegible]	[illegible]
7 High Coupons 5 years	[illegible]	[illegible]	[illegible]
8 15 years	[illegible]	[illegible]	[illegible]
9 25 years	[illegible]	[illegible]	[illegible]
10 Irredeemables	[illegible]	[illegible]	[illegible]
11 Debs & Loans 5 years	[illegible]	[illegible]	[illegible]
12 15 years	[illegible]	[illegible]	[illegible]
13 25 years	[illegible]	[illegible]	[illegible]
14 Preference	[illegible]	[illegible]	[illegible]
15 Inflation rate 5%	[illegible]	[illegible]	[illegible]
16 Inflation rate 10%	[illegible]	[illegible]	[illegible]

†Flat yield. Highs and lows record, base dates, values and constituent changes are published in Saturday issues. A list of constituents is available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 15p, by post 28p.

EUROPEAN OPTIONS EXCHANGE

Series	Vol.	Last	Vol.	Last	Vol.	Last	Stock
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

TOTAL VOLUME IN CONTRACTS: 18,007

A=Ask B=Bid C=Call P=Put

LONDON TRADED OPTIONS

Option	Calls Jan.	Calls Apr.	Calls Jly.	Puts Jan.	Puts Apr.	Puts Jly.
B.P. (*495) 390	117	125	—	2	[illegible]	[illegible]
420	85	97	—	3	[illegible]	[illegible]
460	55	65	70	10	[illegible]	[illegible]
500	24	31	42	20	[illegible]	[illegible]
550	7	16	—	58	[illegible]	[illegible]
Cons. Gold (*499) 460	57	67	75	7	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Nov. 20. Total Contracts 3,598. Calls 1,980. Puts 1,618. * Underlying security price.

FT LONDON SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

1984 High	Low	Stock	Price £	+ or –	Yield Int.	Red.
105¼	101¼	Treas. 15pc 1985	101¾	.....	14.81	9.38
102¾	100	Exch. 12pc Cnv. '85	100¾	.....	11.91	9.63
97	93⅛	Treas 3pc 1985	97xd	+⅛	3.09	9.36
102⅞	99½	Treas 11½pc 1985	101⅛	+⅛	11.38	9.67
99¼	96⅜	Treas 8¼pcCnv '85	99⅝	+⅛	8.81	9.61
104⅛	99⅞	Exch. 12¼pc 1985	102⅓xd	.....	11.97	9.71
103⅞	99⅛	Exch. 11½pc '86	102⅛	.....	11.49	9.72
102⅛	96⅛	Treas. 10pcCnv 1986	100⅛	.....	9.97	9.73
92⅞	88⅛	Treas 3pc 1986	92⅞xd	+⅛	3.25	8.52
102	95¼	Exch. 10½pc Cv '86	100⅛xd	.....	10.41	9.98
104⅛	99⅛	Treas 12pc 1986	102⅛xd	+⅛	11.73	9.95
98¼	93½	Treas 8½pc 1984-86‡‡	97⅞	+¼	8.69	9.95
108⅞	102⅛	Exch. 14pc 1986	106¾	+⅛	13.11	10.06
88⅛	85	Exch. 2½pc 1986	88⅛xd	+⅛	2.83	9.09
107⅞	100⅞	Exch. 13½pc 1987	105⅝	+⅛	12.54	10.23
100⅝	94⅛	Treas 10½pcCv '87	99⅞	+⅛	10.26	10.26
86¼	83⅝	Exch 2½pc 1987	86¼	+⅛	2.88	9.10
101⅛	94⅛	Exch. 10½pc 1987	100⅛	+⅛	10.45	10.27
92⅞	87	Funding 6½pc '85-87‡‡	92⅞	.....	7.04	10.14
99⅝	92⅞	Treas. 10pc 1987	99⅛xd	+⅛	10.08	10.39
85	81⅛	Treas 3pc 1987	84⅞	+⅛	3.53	9.57
105	97¾	Treas. 12pc 1987	103⅞	+¼	11.56	10.46
94⅞	87⅛	Treas 7¾pc 1985-88‡‡	93	.....	8.33	10.36
103⅞	92⅞	Exch 10½pc '88	99⅝	–⅛	10.59	10.60
98⅛	89⅞	Treas 9½pc Cv '88	97⅛xd	–⅛	10.02	10.69
82	77	Transport 3pc '78-88	80¼	+⅛	3.74	9.65
96⅞	88⅛	Treas. 9½pc '88	96¼	–⅛	9.88	10.73
106¼	94⅞	Treas 11½pc 1989	102⅛	–⅛	11.24	10.77
96⅞	87⅞	Treas 9½pc Cnv. '89	96⅛	–⅛	9.86	10.56
99⅝	90⅞	Treas 10½pc 1989	99⅛xd	–⅛	10.59	10.75
100⅛	88⅞	Exch.10pc 1989	96⅞	–⅛	10.32	10.83
101⅛	94⅛	Exch 11pc 1989	100¼	–⅛	10.92	10.76

Five to Fifteen Years

Over Fifteen Years

Undated

Index-Linked

INT. BANK AND O'SEAS GOVT STERLING ISSUES

CORPORATION LOANS

COMMONWEALTH AND AFRICAN LOANS

LOANS

Building Societies

Public Board and Ind.

Financial

FOREIGN BONDS & RAILS

AMERICANS

CANADIANS

BANKS, HP AND LEASING

Hire Purchase, Leasing, etc.

BEERS, WINES AND SPIRITS

BEERS, WINES—Cont.

BUILDING INDUSTRY, TIMBER AND ROADS

CHEMICALS, PLASTICS

DRAPERY AND STORES

DRAPERY & STORES—Cont.

ELECTRICALS

ENGINEERING

ENGINEERING—Continued

FOOD, GROCERIES, ETC

HOTELS AND CATERERS

HOTELS—Continued

INDUSTRIALS (Miscel.)

INDUSTRIALS—Continued

INSURANCES

LEISURE

LEISURE—Continued

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MINES—Continued

Central African

Australians

Tins

Miscellaneous

1984 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's
370	210	♥Centennial Min'ls.	305	+5	—	—	—
175	80	♥Colby Res Corp.	95	..	—	—	—
955	550	Cons. Murch. 10c	575	..	†Q100c	1.4	8.6
36	25	♦Ennex Int. Ir10p	34	..	—	—	—
252	160	Hampton Areas 10p	175	....	3.75	2.1	2.9
225	140	♥Highwood Res.	200	..	—	—	—
£24½	£16	Homestake Mining $1	£20⅛	−¼	Q30c	—	0.5
235	135	♥McFinley Red Lake	200	..	—	—	—
240	101	♥Musto Explorations	195	−5	—	—	—
55	23	♥New Sabina Res C$1	35	....	—	—	—
365	220	Northgate C$1	290	.....	—	—	—
718	500	RTZ	627	.....	†18.0	2.7	4.1
£155½	£113½	Do. 9½pcLn '95-2000	£136	−2	Q9½%	35.4	†7.2
£11¼	850	♥Tara Expln $1	912	.	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- ■ "Tap Stock".
- ●+ Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ♦ Figures or report awaited.
- ♥ Not officially UK listed; dealings permitted under Rule 535(4)(a).
- ♦ USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- †† Dealt in under Rule 535(3).
- # Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ♦ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ♠ Same interim: reduced final and/or reduced earnings indicated.
- ♦ Forecast dividend: cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ☆ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ¤ No par value.

B.Fr. Belgian Francs. Fr. French Francs. ♦♦ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Tax free. b Figures based on prospectus or other offer estimate. c Cents. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Subject to local tax. x Dividend cover in excess of 100 times. y Dividend and yield based on merger terms. z Dividend and yield include a special payment. Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1983-84. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1984. K Figures based on prospectus or official estimates for 1984. M Dividend and yield based on prospectus or other official estimates for 1985-86. N Dividend and yield based on prospectus or other official estimates for 1985. P Figures based on prospectus or other official estimates for 1983. Q Gross. T Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

REGIONAL & IRISH STOCKS

The following is a selection of Regional and Irish stocks, the latter being quoted in Irish currency.

Stock	Price	+ or −	Stock	Price	+ or −
Albany Inv 20p	86	.	Arnott	160xd	
Craig & Rose £1	£11	.	CPI Hldgs.	54	−1
Finlay Pkg. 5p	42	.....	Carroll Inds.	120	+1
Higsons Brew	85	.	Dublin Gas	65	..
Holt (Jos) 25p	890	...	Hall (R. & H.)	38	−2
IoM Stm. £1	110	...	Heiton Hldgs.	15½	...
IRISH			Irish Ropes	35	...
Exch. 12% 1985	£99	...	Jacob (W & R.)	65xd	+1
Nat. 9¾% 84/89	£83⅝	−⅛	TMG	67	..
Fin. 13% 97/02	£88¼	−¼	Unidare	77	......

OPTIONS — 3-month call rates

Industrials	p		p		p
Allied-Lyons	15	Hawker Sidd	38	Vickers	18
BOC Grp.	24	Hse of Fraser	28	Woolworth Hldg	50
BSR	15	ICI	50		
Babcock	13	'Imps'	14	**Property**	
Barclays Bank	42	Jaguar	18	Brit Land	14
Beecham	30	Ladbroke	20	Cap Counties	18
Blue Circle	46	Legal & Gen	42	Land Secs	24
Boots	18	Lex Service	32	MEPC	30
Bowaters	16	Lloyds Bank	42	Peachey	24
Brit Aerospace	34	'Lofs'	1¼	Samuel Props	14
BAT	22	Lucas Inds	24	Starling Gear	5¼
Brown (J.)	3	'Mams'	14		
Burton Ord	32	Marks & Spcr	18	**Oils**	
Cadburys	14	Midland Bk	33	Brit. Oil & Min	4½
Comm Union	15	NEI	9	Brit Petroleum	38
Courtaulds	11	Nat West Bk	54	Burmah Oil	19
Debenhams	19	P & O Dfd	24	Charterhall	6
Distillers	24	Plessey	20	Premier	4
Dunlop	5	Racal Elect	24	Shell	55
FNFC	7	RHM	10	Tricentrol	22
Gen Accident	42	Rank Org Ord	24	Ultramar	22
Gen Electric	20	Reed Intnl	50		
Glaxo	90	Sears	7	**Mines**	
Grand Met	26	TI	18	Charter Cons	21
GUS 'A'	55	Tesco	8	Cons Gold	42
Guardian	58	Thorn EMI	42	Lonrho	14
GKN	36	Trust Houses	12	Rio T Zinc	60
Hanson Tst.	22	Turner Newall	9		
		Unilever	80		

A selection of Options traded is given on the London Stock Exchange Report page.

"Recent Issues" and "Rights" Page 35

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £700 per annum for each security.

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

Abbey Unit Tst. Mngrs. (a)
1-3 St Paul's Churchyard, EC4P 4DX. 01-236 1833

High Income				
Gilts & Fixed Int.	115.3	122.0	−0.3	9.84
High Inc Equity	65.0	69.2xd	−0.1	6.50
Worldwide Bond	151.1	160.7xd	+0.7	6.04
Capital Growth				
American Growth	113.6	120.4	.....	1.92
Assets & Ernngs. Tt.	64.4	68.9xd	−0.4	3.27
Capital Reserve Fd	55.8	56.1	.....	0.75
Commodity & Engy.	76.7	82.0	+0.1	2.72
General	96.9	103.6	−0.1	2.93
Japan	161.5	172.7xd	−0.2	0.00
UK Growth	61.0	65.6xd	−0.2	2.59
Acc. Units	86.1	92.6	−0.3	2.59
U.S. Emerging Co's	48.4	51.5xd	−0.3	0.50
Equitas Prog.	140.9	150.7xd	−0.3	3.92

Aitken Hume
30, City Road, EC1Y 2AY. 01-628 6626

American Tech Fd	114.0	122.0	..	0.20
Exempt	399.7	427.6	..	—
Pacific Fd	131.0	140.2	−1.0	0.40
Secured Income Fd	123.0	131.6	−0.3	5.88
Special Sits	150.0	160.9	−0.7	1.56
Energy Fd	32.6	34.9	−0.4	0.60
American Majors	50.8	54.4	...	2.70
Small Co's Fd (10for1)	26.8	28.6	−0.1	2.26
Jap. Technology	65.2	69.8	.....	0.20

Allied Unit Trusts Limited (a)(g)
Allied Hambro House, Hutton, Brentwood, Essex Brentwood. (0277) 211459 & 229123

Balanced Trusts and Income Trusts				
First Trust	145.9	154.6	−0.4	4.68
Growth & Income Tst.	93.3	98.9xd	−0.2	3.98
Capital Trust	175.6	186.1xd	−0.6	3.03
Balanced Trust	257.1	272.5	−0.8	3.94
Accum Trust	373.5	395.9xd	−1.5	3.59
American Income	26.0	27.6	.....	4.53
High Income Trust	162.4	172.1	−0.2	5.72
Equity Income Trust	90.5	95.9	−0.2	5.95
High Yield Trust	106.4	112.8xd	−0.1	6.94
Govt. Secs. Trust	28.5	29.7xd	−0.1	9.70
International Trusts				
International Trust	60.7	64.3	−0.1	1.84
Japan Trust	63.6	67.4	.....	0.01
Pacific Trust	117.9	125.0	+0.4	1.09
Amer. Spec. Sits. Tst.	52.4	55.5	−0.3	1.21
Secs. of Amer. Tst.	154.8	164.1xd	−0.7	1.41
Specialist Trusts				
Allied Asset Value	143.1	151.7xd	−0.3	4.13
Gilt Growth Trust	31.6	33.0xd	..	3.42
Smaller Co.'s Trust	87.2	94.1	...	3.04
2nd Smlr. Co's Trust	121.9	131.7	+0.1	3.01
Recovery Trust	49.1	52.0xd	.....	3.56
Met. Min. & C'ety. Tst.	89.0	94.3xd	−0.5	3.13
O'seas Earnings Trust	136.5	144.7	−0.5	3.61
Technology Trust	80.2	85.0xd	−0.2	1.90
Exempt Trusts				
Income Exempt Trust	95.4	101.1	−0.1	6.61
Far East Exempt Tst.	122.3	129.6xd	+0.8	1.07
Smaller Co. Exmpt. Tst.	146.5	155.2	−0.1	3.37
U.S.A. Exempt Tst.	246.5	261.2	−1.6	2.42

Anthony Wieler Unit Tst. Mgmt. Ltd.
19, Widegate St, London E1 7HP. 01-377 1010

Wieler Gwth Fd Inc.	54.9	59.1xd	...	1.90
Do Accum	74.4	80.0xd	...	1.90

Arbuthnot Securities Ltd. (a)(c)
131, Finsbury Pavement, EC2A 1AY. 01-628 9876

Capital Growth	46.1	49.3	−0.1	2.15
Commodity	83.0	88.7xd	....	2.23
(Accumulation)	137.0	146.5xd	...	2.23
(10% Withdrawal)	45.4	48.5xd	.....	2.33
Eastern & Internatl.	88.2	94.3	.....	1.60
(6% Withdrawal)	50.8	54.3	....	1.60
Finance & Property	36.8	39.3	+0.1	2.86
Foreign Growth	59.0	63.0	+0.1	1.35
Gilt & Fixed	45.2	47.6xd	−0.2	9.36
High Income	50.7	54.2xd	.....	7.18
High Yield	56.3	60.2	....	9.16
Managed Fund	48.9	51.5		—
North American	66.9	71.5	+0.1	0.96
Preference	24.4	26.0	+0.1	11.73
Smaller Companies	77.8	83.2xd	−0.2	1.26
(Accumulation)	81.9	87.5xd	−0.3	1.26
World Penny Share	8.5	9.0	.....	1.02
Portfolio Trust				
UK	52.2	54.0	−0.1	2.28
Japan	54.4	56.3	−0.1	0.1
U.S.	61.8	64.0	.....	1.29
Europe	50.5	52.3	+0.1	0.1

Archway Unit Tst. Mgs. Ltd.(a)(c)
317, High Holborn, WC1V 7NL. 01-831 6233

Archway Fund	198.2	210.1	.....	4.97
Archway Growth Fund	30.9	32.8	.....	2.87

Prices November 15. Next sub. day November 22.

Arkwright Management
Parsonage Gardens, Manchester. 061-834 2332

Arkwright Fd Nov 20	158.9	169.1	+1.8	3.31

Atlanta Unit Managers Ltd.
1 Founders Court, Lothbury, EC2. 01-600 8664

Canadian Trust	67.9	73.1xd	−0.2	0.90
Jap. Far East	51.8	55.2	−0.1	0.56

Baillie Gifford & Co. Ltd.
3 Glenfinlas St, Edinburgh. 031-225 2581

Japan Ex Nov 14	223.5	232.9	...	0.23
Intl.Ex* Oct 7	295.8	309.2	...	1.03
BGPPN† Dec 15	302.0	317.9	.....	—

†Next dealing day. *Unauthorised.

Barclays Unicorn Ltd.(a)(c)(g)
Unicorn Ho. 252, Romford Rd., E7. 01-534 5544

Unicorn America	67.5	71.8xd	+1.8	2.13
Do. Aust. Acc.	166.4	177.0	+1.1	1.19
Do. Aust. Inc.	122.3	130.1	+0.9	1.19
Do. Capital	147.0	156.3	−0.7	4.19
Do. Exempt Tst.	275.7	293.2xd	−1.2	4.90
Do. Extra Income	49.2	52.3xd	...	6.63
Do. Financial	160.2	170.4xd	+0.1	3.95
Do. 500	169.5	108.3	....	4.23
Do. General	88.7	94.3	−0.2	3.99
Do. Gilt & Fxd. Int. Inc.	51.8	54.2xd	....	9.98
Do. Gtr. Pacific Acc.	95.1	101.1	+0.1	0.63
Do. Gtr. Pacific Inc.	94.3	100.3	+0.1	0.63
Do. Growth Acc.	119.1	126.6	−0.4	3.10
Do Income Trust	208.5	221.8	−0.7	4.39
Do. Leisure Tst.	52.1	55.4	−0.2	2.26
Do. Prf. A'ns. Tst.	91.6	97.4	−0.1	3.67
Do. Recovery	123.7	131.5	......	3.42
Do. Trustee Fund	73.1	77.7	−0.3	3.75
Do. Univ. Tech. Acc.	48.8	51.9	−0.2	—
Do Univ Tech Inc.	48.6	51.7	−0.3	—
Do. W'kiwide Tst	97.1	103.2	−0.1	1.17
B'tst In.Fd Acc.	211.8	225.3	−0.7	4.01
Do Income	143.0	152.1xd	−0.5	4.01

Baring Brothers & Co. Ltd.
8, Bishopsgate, EC2N 4AE. 01-283 8833

Stratton Trust	441.8	460.4	−3.0	4.04
Do. Accum.	649.8	677.2	−4.3	4.04

Next sub day Dec 4 (by noon).

Bishopsgate Progressive Mgmt. Co.
66 St James's Street, SW1A 1NE. 01-493 8111

B'gate Prog Nov 6	561.2	595.4	..	1.87
Acc Units Nov 6	753.1	799.6	....	1.87
B'gate Int Nov 13	697.4	739.5	.....	0.75
Accum Nov 13	838.3	888.9	...	0.75
Beckman Nov 14	162.5	169.0	...	—
Cap & For Nov 8	84.5	90.1xd	..	1.19
Accum Nov 8	87.0	92.6	..	1.19

Bridge Fund Managers (a)(c)
Regis House, King William St, EC4 01-623 4951

Amer. Gen. Inc †	57.1	61.4	...	0.47
Do Acc†	57.1	61.7	...	0.47
Income*	97.1	103.8xd	−0.6	4.44
Capital Inc ‡	95.4	102.6xd	..	1.33
Do. Acc ‡	121.5	130.7	..	1.33
Exempt‡	221.0	238.0	..	3.80
Intl Recovery Inc.‡	36.8	39.6xd	..	1.15
Do Acc ‡	48.2	51.9	..	1.15

Dealing *Tues. ‡Wed. †Thur. Prices November 20/21/22

Britannia Gp. of Unit Trusts Ltd. (a)(c)(g)
Salisbury House, 31, Finsbury Circus, London EC2
01-588 2777 Dealing: 01-638 0478/0479
Britannia Viewpoint 01-341 5656

UK Specialist Funds				
Growth Gilt Trust	48.1	51.1		1.36
Recovery	65.0	69.3xd	−0.4	3.63
Smaller Cos	97.7	104.3	−0.3	1.77
Spec. Mkt Sits	67.2	71.7xd	−0.2	3.02
High Income Funds				
Extra Inc.	48.3	51.9	..	8.54
Gilt	26.7	28.3	−0.1	9.50
Inc & Growth	132.4	141.2xd	−0.4	5.48
Nat. High Inc	132.6	141.4	..	6.51
Pref Shares	17.5	18.7xd	..	11.05
Sector Specialist Funds				
Commodity Shares	139.5	148.0xd	+0.5	2.44
Financial Secs	31.6	33.7	+0.1	2.95
Gold & General	74.9	76.9	+0.3	2.69
Int Leisure Mk	10.2	10.9	..	
Prop Shares	10.1	10.6		1.62
Univ Energy	69.3	73.9	−0.5	0.40
World Tech	43.1	46.0	−0.1	—
Overseas Funds				
American Growth	74.4	79.4	−0.6	2.69
American Income	47.5	50.7	+0.1	6.41
Am Smaller Cos	20.5	21.9	−0.1	0.48
Am Spec Sits	64.2	68.5xd	−0.3	0.92
Australian Growth	78.9	84.2	+0.5	1.61
Far East	38.0	40.5	+0.5	0.61
Hong Kg Perfmnce	19.9	21.3	+0.1	3.11
Intl Growth†	24.5	26.1xd	..	2.87
Japan Perf Trust	37.9	40.4	−0.1	—
Japan Smllr Co's Tst	11.7	12.5		—

Britannia Group—Continued

General Funds				
Uk Growth (Domestic)†	28.3	30.2xd	.....	3.37
Exempt Funds				
Exempt	290.1	303.8xd	−0.5	4.77
Ex. Mkt. Ldrs.	58.0	60.7xd	−0.3	3.54
NEL Trusts				
Nelstar Gilt & F.I.	64.8	68.5	..	9.45
Nelstar High Income	53.4	56.3	....	6.83

Brown Shipley & Co. Ltd. (a)(g)
9-17 Perrymount Rd, Haywards Hth 0444 458144

B.S. Fund	44.4	47.8	−0.1	4.58
B.S. Accum	70.9	76.3	−0.2	4.58
Financial	83.2	89.1	..	3.35
Growth Accum	148.9	160.2	−0.4	2.04
Growth Income	98.0	105.4xd	−0.3	2.04
High Income	42.8	46.2	−0.1	6.61
Income	46.6	50.0xd	−0.1	5.60
North American	46.6	50.2	−0.4	1.53
Orient	47.6	51.1xd	..	0.20
Recovery	24.1	25.9xd	+0.2	4.10
Technology	141.4	152.2xd	−0.7	0.55
Exempt	140.1	150.8xd	−0.6	4.24

Buckmaster Management Co. Ltd. (a) (c)
The Stock Exchange, EC2P 2JT. 01-588 2868

General Inc Nov 8	145.6	153.1	...	3.63
Accum Units Nov 8	221.7	233.3	.....	3.63
Income Nov 14	72.0	76.0xd	....	5.55
Accum Units Nov 14	118.0	124.4	....	5.55
Int'l November 20	99.3	104.3	−1.0	2.44
(Accum Units) Nov 20	128.6	135.1	−0.8	2.44
Smaller Co's Nov 16	838.4	900.2	.....	1.56
(Accum Units) Nov 16	874.2	938.6	.....	1.56

Canada Life Unit Trust Mngrs. Ltd.
2-6 High St, Potters Bar, Herts. P Bar 51122

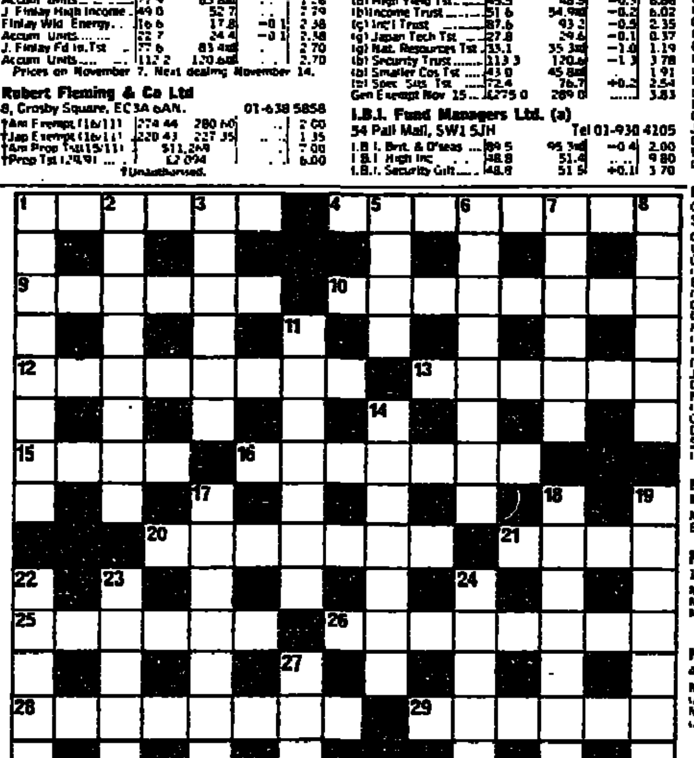
Can. Gen Dist.	81.9	86.2	−0.3	3.08
Do. Gen. Accum.	123.6	130.1	−0.5	3.08
Do. Income Dist.	55.7	58.7xd	.....	6.48
Do. Inc. Accum.	106.5	112.1	−0.2	6.48
Gilt & Fxd. Inc. Trust	34.8	36.7	−0.1	—

Cannon Fund Managers Ltd. (z)
1, Olympic Way, Wembley, HA9 0NB. 01-902 8876

Growth	198.2	210.9xd	−0.7	3.78
Income	227.0	241.5xd	−0.5	5.28
Far East	117.3	124.8xd	+0.3	0.63
North American	104.3	111.0xd	−0.3	2.15

INSURANCES

F.T. CROSSWORD PUZZLE No. 5,575



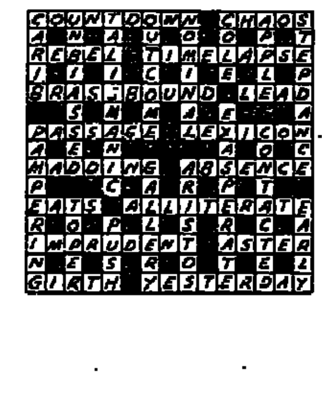
ACROSS

1 Error committed by poor sailor (6)
4 He doesn't keep his intelligence to himself (8)
9 Possibly shoots ducks with the graduate doctor (6)
10 Final bid to secure an agreement? (8)
12 Went into service? (8)
13 At holiday time it may be busy or in repose (8)
15 Sudden squall of wind wrecks tugs (4)
16 In a coat of arms, perhaps, it may be taken to promote good feeling (7)
20 Revenues from company involved in various mines (7)
21 Fifty-one and single (4)
25 Show around Venice (6)
26, 28 You and me, for example (S. 8)
29 Take cover when one is after a gangster (6)
30 Attacked and made to run (6, 2)
31 No single word will fit here (6)

DOWN

1 Duck when beer mugs are thrown around (8)
2 Undistinguished collection of salesmen (8)
3 Alarm a king on the river (6)
5 Refusal to start on time (4)
6 Be more important in a matter of some gravity? (8)
7 Ploughed a mowed field (6)
8 In turn it's consumed with decay (6)
11 It is pressed into use when distribution by air is required (7)
14 Shows respect, or perhaps the reverse (7)
17 A tale of love in a decent novel (8)
18 Now proud; then undone before the fall (8)
19 Spring after spring, it never fails to surprise me (4, 4)
22 Home brewing accessory (3-3)
23 The energy with which six go over an ancient city (6)
24 Makes a ship unfit to carry out an attack (6)
27 Prepare for take-off? (4)

Solution to Puzzle No. 5,574



INSURANCE, OVERSEAS & MONEY FUNDS

OFFSHORE AND OVERSEAS

Taiwan (ROC) Fund
c/o Vickers da Costa Ltd, King William St, London, EC4 01-623 2494
NAV $452. IDR value US$11 460.45.

Target Trust Mngrs (Jersey) Ltd
PO Box 194, St Helier, Jersey. 0534 72936
Man Cur Fd 103.5 109 0 .... 4 22

Tennant (Cayman) Managers Ltd and NATICO
PO Box 2180, Grand Cayman. 0101 (809) 9497436
Wstmstr Cm 58.33 8 79 .... —

Tokyo Pacific Holdings NV
Intimis Management Co NV, Curacao.
NAV per share $141.69

Tokyo Pacific Hldgs (Seaboard) NV
Intimis Management Co NV Curacao
NAV per share $103.38.

Tyndall Bank (Isle of Man) Ltd
30 Athol St, Douglas, IoM. 0624 29391
Stg Mny Fd — — 9 375
US $ Mny Acc — — 8 50

Tyndall Managers
2 New St, St Helier, Jersey 0534 37331/3

TOFSL	190 2	204 4	....	1 22
American	[illegible]	[illegible]	....	[illegible]
Far Eastern	253 9	271 8	....	0 92
European	112.2	120 2	....	0 85
PrtfloMan	102 5	110 2	....	—
PrtfloSIAmr	99.2	107.2	....	—
PrtfloSIFEst	104.5	111 9	....	—
PrtfloSIEuro	105 6	113.0	....	—
Jersey Fd	170 0	185 8xd	....	5 30
(Non-Jacc Uts)	416 0	454.8	....	—
Gilt Fund	116.6	118 8	....	9 97
(Accum shs)	[illegible]	[illegible]		

Victory House, Douglas, IoM. 0624 24111

High Inc Gilt	112.0	114.2xd	....	12 19
(Accm Shs)	215 2	219 4	....	—

Tyndall International Assurance Ltd
Albert House, St Peter Port, Guernsey 0481 27966

Int Eqty	427 5	450 0	....	—
Do $	5 400	5 685	....	—
Pacific Eqty	131 3	138 3	....	—
Do $	1.655	1 745	....	—
N Amr Eqty	91 6	96 5	....	—
Do $	1.155	1 220	....	—
UK Equity	298 5	314 3	....	—
Do $	3 770	3 970	....	—
Euro Eqty	117 6	123 8	....	—
Do $	1.458	1.505	....	—
Intl Fxd Int	428 5	451 1	....	—
Do $	5 410	5 695	....	—
$ Fxd Int	[illegible]	[illegible]	....	—
Do $	5 495	5 080	....	—
$ Deposit	137 2	144 5	....	—
Do $	1 730	1 825	....	—
Stg Deposit	156 2	164 5	....	—
Do $	1 970	2 075	....	—
Commodity	412 0	433 7	....	—
Do $	5 205	5 480	....	—
Gold	82 9	87 5	....	—
Do $	1 045	1 104	....	—
UK Propty	195 1	205 4	....	—
Do $	2 465	[illegible]	....	—
Intl Mngd	353 5	369 0	....	—
Do $	4 525	4 660	....	—
UK Mngd	[illegible]	[illegible]	....	—
Do $	3 205	3 470	....	—

Tyndall-Guardian Mngt Ltd
PO Box 1256, Hamilton, Bermuda

T-G American	$21.27	....	—
T-G Money	$23 95	....	—
T-G Eurobond	[illegible]	....	—
T-G Commodity	$21 51	....	—
T-G Mortgage	C$21 91	....	—
T-G Overseas	$11 44	....	—
T-G Pacific	$2 055	....	—
T-G Wall Street	$26 83	....	—
T-G Gold	$8.49	....	—

M. G. Tyrrell & Co Ltd
PO Box 415, London W13 9NY.
Ortac $11.63 11.90 .. —

Unico Invest Fd Mgt Co SA Lux
London & Continental Bankers Ltd
2 Throgmorton Ave, London 01-638 6111
Uc Inv Fd 569 01 71 00 +0.10 —

Union-Investment-Gesellschaft GmbH
Postfach 16767, D 6000, Frankfurt 16

Unifus	DM19 23	20 20	−0 10	—
Unirak	DM69 91	73 45	−0 50	—
Unirenta	DM39 19	43 40	+0.20	—

United Fund Managers Ltd
16-18 QueensRd Central, Hong Kong 5-231417
$ Mly T 9.00 0 39 .... —
For Vanbrugh Currency Fund see Holborn Fund Management (Jersey) Ltd

S. G. Warburg & Co Ltd and subsdrs
33 King William St, EC4R 9AS 01-280 2222

EngyNv16	$43 53	—	....	—
MrEdNv14	$15 98	16 16	....	7 40
SelRsOct16	$15.76	16 32	....	1.53

39-41 Broad Street, St Helier, Jsy, CI. 0534 74715

MrcCNv13	£27 62	28.32	....	1 39
MrEuNv14	£25.55	26.19	....	0.95
MrTrsNv16	£25.57	26 22	....	1 87
MITstNv15	£13 42	13 76	....	3 05
MrSmNv15	£20 31	20 83	....	1 44

Mercury Money Market Trust Ltd

D-Mark	DM79 20	....	—
Dutch Gldr	DF1106 6	+0 02	—
Japanese Yen	Y7 989	+2	—
£ Sterling	£16 95	−0 01	—
Swiss Franc	SF77.39	....	—
U.S $	$33 76	+0 02	—

1 Thomas St, Douglas, IoM. 0624 4856

MrcInMFd	57 1	60 8xd	−0 2	[illegible]
MrcInBdFd	40 8	43.2xd	−0 1	[illegible]

Wardley Fund Managers (Jersey) Ltd
HK Bk Bldg, Grenville St, St Helier 0534 71460
Wrdly Gt Fd 101.0 105.0 .... 10 71

Wardley Investment Services Ltd
4th Floor, Hutchinson House, Hong Kong.

Wrdly Tst	$5.27	5 63	−0.16	1 42
WdyNikAF	$25 73	27 29	+0.34	5 50
WrdlyBdT	$10 40	11 00	−0 10	7.36
WrdlyJapT	$33.36	35.37	−0 26	0 28
WrdlyPyCT	$10.12	10 70	−0.10	2 06

West Avon Secs (Guernsey) Ltd
Borough Hse, St Peter Port, Guernsey. 0481 27963
Gilt&OptFd £1.18 1 23 −0 01 —
US & Opt $0.94 0.99 −0 01 —

World Wide Growth Management
10a, Boulevard Royal, Luxembourg.
WwGthF $11 56 — −0.15 —
Inv. Adv.: M&G Inv. Mngt. Ltd., London.

Wren Commodity Management Ltd
10, St George's St, Douglas, IoM. 0624 25015

Wren Com Fd	12 8	13.3	....	3 10
Chinese Fd	59 9	62 4	....	1 70
PrecMetFd	122 7	127.8	....	8 30
VangCmdyFd	27.4	28.1	....	—
FinFuturesFd	32.4	33.8	....	—

Yamaichi Dynamic Mngt Co SA
10a Boulevard Royal, Luxembourg.
DynmcGthFd $9.46 — −0 03 —

Money Market Trust Funds

	Nom	Apr	Int Cr	Notice
Mallinhall Ltd				
36 Berkeley Sq, W1X 5DA. 01-499 6634				
M'hallMnyFd	9.125	9 442	Qtr	Call
The Money Market Trust				
63 Qn Victoria St, EC4N 4ST. 01-236 0952				
Call Fund	9.53	9.80	6mth	Call
7-day Fund	10.18	10 49	6mth	7-day
Oppenheimer Money Management Ltd				
66 Cannon St, EC4N 6AE. 01-236 1425				
Call Fund	9 89	10.13	6mth	Call
7-day Fund	9 99	10 23	6mth	7-day
MnyMngAc	9.75	10.11	3mth	Call
Dollar	8 19	8.39	6mth	2-day

Money Market Bank Accounts

	Nom	Apr	Int Cr	Notice
Aitken Hume				
30 City Road, EC1Y 2AY. 01-638 6070				
Treasury Acc	10.00	10 00	Qtr	Call
MthlnrChq	10.00	10.47	Mth	Call
Bank of Scotland				
38 Threadneedle St, EC2P 2EH. 01-628 8060				
Cheque Acc	9.60	10.03	Mth	Call
Barclays Prime Account				
PO Box 125, Northampton. 0604 252891				
High Int Chq	9 75	10.11	Qtr	Call
Britannia Grp of Investment Companies				
29 Finsbury Circ, EC2M 5QL. 01 588 2777				
Cater Allen	10.00	10.471	Mth	Call
Charterhouse Japhet plc				
1 Paternoster Row, EC4M 7DH 01-248 3999				
Sterling	10.00	10.47	Mth	Call
U S Dollar	9 00	9 51	Mth	Call
German Marks	5 0	9 51	Mth	Call
Swiss Francs	2 0	2 05	Mth	Call
Japanese Yen	5.0	2.05	Mth	Call
Choulartons				
30 Ashley Rd, Altrincham, Cheshire, WA1 2DW. 061-928 9011				
Cheque Acc	10.25	10.75	Mth	Call
Co-operative Bank				
78-80 Cornhill EC3. 01-626 6543 Ext 465				
Cheque&Save	*8.00*	8 24	Qtr	Call
Over £1,000	10.00	10 38	Qtr	Call
Dartington & Co Ltd				
Dartington, Totnes, Devon, TQ9 6JE. 0803 862271				
MnyMktAcc	10.25	10 66	Qtr	Call
Lombard North Central plc				
17 Bruton St, W1A 3DH. 01-409 3434				
Notice Dep	10 250	10 52	Rate	14-day
M & G Kleinwort Benson				
91-99 New London Rd, Chelmsford. 0245 51651				
HighInChqAc	9.76	10.25	Daily	Call
Midland Bank plc				
PO Box 2, Sheffield. 0742 20999 Ext 8738				
High Int Chq	29.50	9 84	Qtr	Call
Save & Prosper/Robert Fleming				
28 Western Rd, Romford, RM1 3LB. 0708 66966				
HghIntMktAc	8 80	9.20	Daily	Call
PremierAcc	8.83	9.20	Daily	Call
Tyndall & Co				
29-33 Princess Victoria St, Bristol BS8 4BX 0272 732241				
DemandAcc	9.46	9 81	Qtr	Call
Money Acc	10 00	10.39	Qtr	Chq/7
J. Henry Schroder Wagg & Co Ltd				
Enterprise House, Portsmouth. 0705 827733				
Special Acc	9 875	10 33	Mth	Call
OvrE1,000	10.125	10.60	Mth	Call

NOTES—Interest rates given both as a nominal rate and an annual percentage rate adjusted for frequency of interest credit.

NOTES

Prices are in pence unless otherwise indicated and those designated $ with no prefix to U.S. dollars. Yields % (shown in last column) allow for all buying expenses. a Offered prices include all expenses. b Today's prices. c Yield based on offer price. d Estimated. g Today's opening price. h Distribution free of UK taxes. p Periodic premium insurance plans. s Single premium insurance. x Offered price includes all expenses except agent's commission. y Offered prices includes all expenses if bought through managers. z Previous day's price. ¶ Guernsey gross. ‡ Suspended. ◆ Yield before Jersey tax. † Ex-subdivision. ‡‡ Only available to charitable bodies. ⊙ Yield column shows annualised rates of NAV increase.

EEC plans grain export rebate cut

BY ANDREW GOWERS

EUROPEAN COMMUNITY officials will tomorrow debate important cuts in export refunds on processed cereal products which could affect trade worth millions of dollars.

The discussion, by the Community's cereals management committee, follows a lengthy review of the system used for calculating the refunds, which are designed to compensate EEC food manufacturers for buying cereals at artificially high Community prices.

Cereal products which benefit from refunds include pasta, biscuits, cakes and malt. Food manufacturers fear that cuts in refunds on cereal-based products could presage more far-reaching changes which would hit processed foods containing dairy ingredients and sugar.

Exports of all processed foods which receive EEC export refunds are worth several hundred million dollars a year.

The proposed cuts do not apply across the board, but are believed to be substantial for several products. The Commission says they do not imply a change in policy but are "part of the general process of tightening budgetary control."

Officials do not expect major objections to the change to be raised at tomorrow's meeting, which follows an abortive discussion of the subject last Thursday.

However, European food processors are up in arms. Britain's Food Manufacturers' Federation, whose members export products based on subsidised EEC commodities worth £105m a year, disputes the basis on which the Commission is proposing its changes.

A Commission official said the proposed cut was based on a "rigorous analysis" of the food-processing industry's cost structure. However the FMF said the proposals "fail to base the refund calculation on the actual price the industry has to pay for its cereals."

A federation official said the changes in cereal refunds will not have a big impact in themselves, and the industry was more worried about the prospect of cuts in refunds on dairy and sugar-based products.

"The consequence of all this is that it will seriously handicap the food industry's competitiveness in the world market."

Soviet bank gold dealer dismissed

BANK Wozchod-Handelsbank, the Swiss-based Soviet bullion bank confirmed yesterday that it had dismissed its chief gold dealer, Mr Werner Peterhans, a Swiss national, for trading beyond limits designated by the bank, Reuter reported from Zurich.

Wozchod, a major outlet for exports of Soviet-produced gold, said the dismissal followed an internal auditing review.

Wozchod does not publish profit and loss figures for gold dealings, but said the Soviet trading house had taken SwFr 29.5m (£9.6m) from its reserves to cover losses in gold trading incurred last year.

● ALUMINIUM prices dropped sharply on the London Metal Exchange yesterday in spite of news that world production declined in October. The cash price of aluminium closed £21.75 down at £925.25 a tonne.

Traders said technical selling was triggered by prices moving below a significant chart point in the New York market overnight.

The International Primary Aluminium Institute announced that non-communist world production of aluminium fell to a rate of 33,900 tonnes daily in October against 34,100 tonnes in September. Last October the rate was 984,000 tonnes, and it is felt there will have to be a strong rise in demand to hold the recent upward trend in world stocks.

● EEC yesterday authorised the export of 67,250 tonnes of white sugar at a maximum export rebate of 40,701 European currency units per 100 kg. The weekly selling tender was held a day earlier than usual because of a West German holiday.

● TEA sold at the London auction on Monday fetched an average price of 276.32p per kg, up from 271.97 last week, according to figures released by the Tea Brokers Association.

John Edwards on reasons behind the recent collapse of a leading trader

Argos Metals caught in a platinum vice

THE FORCED liquidation of platinum trader, Argos Metals, is not just a case of the small man being squeezed out by more powerful rivals. It also reflects conditions in the world platinum market.

The end of Argos was accelerated by nervousness following the collapse of Johnson Matthey when the Swiss Bank Corporation decided to tighten up credit given to members of the platinum trading "pool."

However, the whole free market for platinum has been squeezed in the last year by depressed prices and the decision of Rustenburg, the biggest single producer, to change its pricing system and become directly competitive with independent traders like Argos.

Caught in a squeeze, Argos simply did not have the resources to survive. Capitalised at only £20,000, the company was one of only three free market platinum traders setting the London daily platinum price.

The setting of the London free market platinum price is similar to the gold and silver "fixings" in that a limited number of traders reach an agreed common price based on their buy and sell orders.

In the case of platinum there were three participants—Ayrton Metals, a subsidiary of Impala Platinum of South Africa; Samuel Montagu, London bullion brokers and merchant bank; and Argos, which has now withdrawn. They consult each other by telephone twice daily and issue price quotations in the morning and afternoon.

The system was set up in 1974 when the free market for platinum became increasingly important as a result of increased speculative interest.

To strengthen the influence of the free market, the three traders decided to start issuing daily price quotations. Argos was a leading participant, in spite of its low capitalisation, since it had a reputation as a skilful trader backed by supply contracts with the Russians—the second biggest producers of platinum after South Africa and a major source of supplies to the free market.

Nevertheless, as a small, undercapitalised, independent trader, with no big "parent" to fall back on if necessary, it was obviously vulnerable. The past year has been tough for all platinum traders.

At the beginning of the year it was confidently predicted that economic recovery in the West, and notably in the American car industry, would raise platinum prices. The main use for platinum these days is in catalysts in car exhaust cleaning systems in the U.S. and Japan. So a rise in the number of cars produced means a boost in demand for platinum.

There has indeed been increased consumption of platinum this year, but prices have failed to respond, at least in dollar terms. At the beginning of the year the free market price was about $380 an ounce, and it was at a premium to gold.

It is now about $324 an ounce, and at a discount to gold. During the intervening nine months it has moved in a range from a high of $411.25 (in March) to a low of $319.25 (in October).

The lacklustre price movement is attributed to several factors. One is that the increased demand has been met from surplus stocks built up during the recession by the South African producers.

The depression in the gold market, and lack of investment interest in precious metals, has hit platinum too. Historically the price of platinum has been closely linked with gold, although there is no particular logic in this. They are mined separately and are only interchangeable in some uses, mainly in the electronics industry and the jewellery trade.

However, both of them, along with silver, are viewed by investors as a "store of wealth." To capitalise on this and to help reduce surplus stocks, Impala last year launched the Noble coin—the platinum equivalent of the gold Krugerrand. It has sold some 100,000 ounces in this form. Other producers have been pushing sales of small ingots direct to speculators.

Speculative, or investment, buying is mainly channelled through the free market and normally provides the icing on the cake for traders.

The bulk of platinum used by industrial consumers, such as car manufacturers, is sold under long-term supply contracts by the South African producers, who account for about two-thirds of total world output.

Sales by the Soviet Union, via the free market, are the main alternative source of supply, but these have remained static at about 300,000 ounces in recent years and have become of diminishing importance.

With reduced demand, trading activity on the platinum free market has been at a low ebb. In the struggle for limited business, spreads between buying and selling prices have been narrowed, making it even more difficult to make a profit.

The long-term future of independent traders is threatened by the decision in January last year of Rustenburg, the biggest South African producer, to scrap its producer price system and become directly competitive with the free market. Instead of charging a fixed, infrequently changed, producer price, Johnson Matthey, Rustenburg's selling agent worldwide, now issues a daily price closely linked to movements in the free market.

Other producers have adopted equally competitive pricing systems, so that in effect the bulk of platinum is now sold at the free market quotations.

The big producers, controlling the bulk of supplies, are obviously in a dominant position to compete. In times of surplus, and with speculative interest quiet, there is not a lot of business left for the free market trader, such as Argos. It is a question of surviving until better times, but that takes money.

U.S.-Soviets in grain talks

BY NANCY DUNNE IN WASHINGTON

UNITED STATES and Soviet officials met in Washington yesterday to begin two days of talks on their long term grain agreement amid signs of a slight thaw in relations.

The meetings are regular semi-annual consultations on grains trade, but it is the first time the Soviets have come to Washington for these talks since President Carter's grain embargo in 1980.

Next week, Mr Valentin Mesyats, the Soviet Agriculture Minister, will begin an unprecedented two-week tour of American agriculture.

Moscow bought more than 14m tonnes of U.S. grain last year, and in the first two months of this agreement year have bought almost 12m tonnes, the maximum purchase under the agreement. President Reagan offered the Soviets an additional 10m tonnes during the presidential campaign.

Australian locust plague spreads

BY MICHAEL THOMPSON-NOEL

SWARMS of locusts are on the wing in southern New South Wales, Australia, threatening extensive damage to crops and pastures.

According to the Canberra-based Australian Plague Locust Commission, Australia is facing its worst locust plague in 30 years.

Swarms have begun moving across the River Murray, from NSW into Victoria, where damage costing A$500,000 (£340,000) has already been inflicted.

Although the cost of the damage could rise sharply, the commission says that aircraft spraying is helping combat the infestation.

The plague follows the end of Australia's costliest-ever drought early last year.

In spite of the severity of the plague in specific areas of Victoria and NSW, its impact on total crop prospects and farm production is not expected to be severe.

The gross value of Australian farm production in 1984-85 is forecast at A$14.8bn, slightly lower than last year's record A$15.2bn.

Continued cool, moist conditions during August and September have improved yield prospects for winter grains. Wheat production is forecast at 17.6m tonnes, and barley production at 4.88m tonnes.

New York exchange fined

BY NANCY DUNNE

THE U.S. Commodity Futures Trading Commission has levied a fine of $75,000 (£57,000)—its second largest penalty ever—against the New York Commodity Exchange for allegedly failing to enforce its own rules against a floor broker.

CFIC officials said that Comex had failed to act against the broker, even though it had been informed four times by the commission during a four-month period that the broker was making questionable trades.

Comex officials said that they had decided to settle the case against them, making neither an admission nor denial of the allegations, "in order to avoid a diversion of (the exchange's) time, resources and energy" and "to avoid substantial legal expense of pursuing this matter further.

"Comex disagrees with the judgement and the conclusions with respect to this matter,"

PRICE CHANGES

In tonnes unless stated otherwise	Nov. 20 1984	+ or —	Month ago
Metals			
Aluminium	£1100	......	£1100
Free Mkt	$1210/1240	—45	$1095-125
Copper			
Cash h Grade	£1063	+8	£1048.5
3 mths	£1086.25	+6.5	£1075.75
Cash Cathode	£1069	+7	£1047
3 mths	£1087	+5	£1069
Gold troy oz	$342.75	+0.75	$340
Lead Cash	£365	+6.5	£347
3 mths	£352.75	+3.5	£353.87
Nickel	£5967	......	£5868
Free Mkt	211/231c	—1	217/237c
Palladium oz	$146.25	+0.25	$139.75
Platinum oz	$324.25	—1.75	$325.50
Quick Silver†	$300/310	......	$302/310
Silver troy oz	599.60p	—0.80	601.80p
3 mths	613.60p	—0.86	617.10p
Tin cash	£9715	+20	£9667.5
3 mths	£9697.5	+10	£9640.5
Tungsten	$83.34	......	$85.15
Wolfram22 04lb	$78/81	—1.5	$83/86
Zinc	£626.5	+4	£642.5
3 mths	£629.5	+5.75	£637.75
Producers	$900	......	$900

	Nov. 20 1984	+ or —	Month ago
Oils			
Coconut (Phil)	$985w	+30	$1150
Groundnut	$945x	......	‡
Linseed Crude	£530z	......	‡
Palm Malayan	$605v	......	$605
Seeds			
Copra Phil	$570x	—5	$590
Soyabean(U.S.)	$254.25z	—4.25	$256
Grains			
Barley Fut.Jan.	£109.55	+0.20	£110.25
Maize	£145.00w	......	‡
Wheat Fut.Jan.	£110.10	+0.50	£110.65
No2 Hard Wint.	‡	......	‡
Other commodities			
Cocoa ship't*	£1960	—10	£2027
Futures Dec.	£1899.5	—9.5	£1945.5
Coffee Ft. Jan.	£2357.5	+19	£2350.5
Cotton A index	‡	......	74.15c
Gas Oil Dec.	$236.25	+0.5	$231.75
Rubber (kilo)	60p	......	60.5p
Sugar (raw)	$112.5wv	—4.5	$119
Woolt'ps 64s	470p	kilo	467pkilo

‡ Unquoted. v Jan. z Dec. y Jan-Feb. x Dec-Jan. w Nov-Dec. † Per 75 lb flask. * Ghana cocoa. n Nominal. c Cents per pound.

LONDON OIL

SPOT PRICES

	Latest	Change + or —
CRUDE OIL—FOB ($ per barrel)		
Arabian Light	27.70 27.80	—0.07
Dubai Fateh	27.10-27.20	—0.02
Arab Heavy	26.50 26.60	—
North Sea (Forties)	27.60	—0.15
North Sea (Brent)	27.65 27.75	—0.05
African(BonnyLi'ht)	28.00-28.05	+0.12
Urals	28.00-28.05	—
PRODUCTS—North West Europe "cif" ($ per tonne)		
Premium gasoline	249 253	—1
Gas Oil	237-241	—0.5
Heavy fuel oil	182-186	—

GAS OIL FUTURES

The market opened lower but immediately met support and moved slightly higher. Strong trade buying in New York was reflected in higher levels in London and the market closed steady, reports Premier Man.

Month	Yest'day's close	+ or —	Business Done
	$ U.S. per tonne		
Nov.	232.75	+0.25	232.75-31.50
Dec.	236.25	—0.50	236.50 35.00
Jan.	237.50	+0.25	237.50-36.00
Feb.	235.75	+0.25	235.75-34.50
March	230.75	—1.50	230.75-30.50
April	226.25	—0.25	226.25
May	225.25	—1.00	225.25
June	225.75	—1.75	—
July	226.00	—1.50	—

Turnover: 1,408 (937) lots of 100 tonnes.

GOLD MARKETS

Gold rose $¾ an ounce from Monday's close in the London bullion market yesterday to finish at $342½-343. The metal opened at $342¼-342¾ and traded between a high of $342¾-343¼ and a low of $342-342½. Trading was rather quiet and featureless and there appeared to be little fresh impetus after the opening of New York markets.

In Frankfurt the 12½ kilo bar was fixed at DM 33,050 per kilo ($343.46 per ounce) against DM 32,890 ($344.01) previously and closed at $342¾-343¼ from $343¼-343¾.

In Paris the 12½ kilo bar was fixed at FFr 101,200 per kilo ($342.57 per ounce) in the afternoon compared with FFr 101,200 ($342.78) in the morning and FFr 100,200 ($341.01) on Monday afternoon.

In Luxembourg the dollar per ounce equivalent of the 12½ kilo bar was $342.75 from $343.60.

In Zurich gold finished at $342½-343 from $342¾-343¼.

LONDON FUTURES

Month	Yest'days close	+ or —	Business Done
	$ per troy ounce		
Nov.	—	—	—
Dec	343.30-44.00	—0.45	344.50-43.50
Feb.	345.70-49.00	—0.55	348.80
April	—	—	—
June	—	—	—
Aug	—	—	—

Turnover 138 (293) lots of 100 troy ounces.

	Nov. 20		Nov. 19	
Gold Bullion (fine ounce)				
Close	$342½-343	(£275½-276)	$341¾-342¼	(£273¼-274¼)
Opening	$342¼-342¾	(£273¾-274¼)	$343½-344	(£274-274½)
Morning fixing	$342.65	(£274.405)	$343.00	(£273.841)
Afternoon fixing	$342.10	(£274.504)	$343.40	(£273.735)

Gold and Platinum Coins Nov. 20					
Krugrnd	$353-353½	(£284-284¼)	King Sov	$81½-83	(£65½-66¼)
½ Krug.	$182¼-183	(£146¾-147¼)	Victoria Sov	$81½-85	(£65½-66¼)
¼ Krug.	$93-93½	(£74¾-75½)	French 20s	$65½-67½	(£53-54¼)
1/10 Krug.	$38-38½	(£30½-31¼)	50 Pesos Mex	$424-426½	(£341¼-343¼)
Mapleleaf	$353-353½	(£284-284½)	100 Cor.Aust	$334-337	(£268¾-271¼)
New Sov.	$80½-81	(£64¾-65¼)	$20 Eagles	$520-540	(£418½-434½)
½ New Sov.	$48½-49¼	(£39-39¾)	Noble (Plat.)	$334-337¾	(£268½-271½)

EUROPEAN MARKETS

ROTTERDAM, Nov 20.

Wheat—(U.S. $ per tonne): U.S. No 2 Soft Red Winter Dec 163, Jan 162.50, Feb 163.50, March 164. U.S. No 2 Northern Spring, 14 per cent protein, Dec 175, Jan 182, Feb 185, March 188.50, April/May 178. U.S. Northern Spring, 15 per cent protein, spot 185, Dec 187, April/May 193.50. U.S. No. 3 Hard Amber Durum Dec 181, April/May 192, June 193, Sept 192. Canadian No. 1 Western Amber Durum spot 210, April/May 208.

Maize—(U.S. $ per tonne) U.S. No 3 Yellow: Afloat 133, Nov 135, Dec 133.50, Jan/March 137, April/June 139 [illegible]. Argentine, Plate: Dec 174, April/June 137.75, sellers.

Soyabeans—(U.S. $ per tonne) (U.S. No. 2 Yellow, Gulfports: Dec 248.25, Jan 248.80, Feb 251.20, March 253.50, April 255.80, May 257.90, June 260, July 261.75, sellers.

Soyameal—(U.S. $ per tonne), 44 per cent: Afloat 172, Nov 167, Dec 167, Jan 167, Jan/March 169, April/Sept 186, sellers. Pellets, Brazil: Dec 183, Jan/March 189, April/Sept. 136, sellers. Pellets, Argentine: Afloat 177.50, Nov 174, Dec 173, Jan 175, Jan/March 177, sellers.

PARIS, November 20.

Sugar—(FFr per tonne): March 1475/1477, May 1530/1534, Aug 1605/1610, Oct 1665/1669, Dec 1716/1736, March 1826/1836.

Cocoa—(FFr per 100 kg.): Dec 2137/2140, March 2101/2105, May 2115 bid, July 2120 bid, Sept 2125/2155, Dec 2080/2115, March 2109 asked.

BRITISH COMMODITY PRICES

BASE METALS

BASE-METAL PRICES gained ground on the London Metal Exchange with the exception of aluminium which fell away to close at £948.5 following Commission House selling and selling against options. Copper led a general rally in other metals with forward material recovering from an initially depressed £1,075 to touch £1,093 and close the late kerb at £1,093. The rally was triggered by the decline in sterling, and heavy trade buying which was quickly followed by short covering. Zinc was featured by a widening of the backwardation to around £12, while zinc settled at £631.25. Tin closed at £9,705 and nickel at £3,882.5.

COPPER

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —†
High Grde	£	£	£	£
Cash	1064.5-5	+6	1062.5-3.5	+8
3 months	1087-8	+6.75	1086-.5	+6.5
Settlem't	1065	+6	—	—
Cathodes				
Cash	1069-71	+5	1068-70	+7
3 months	1087-9	+1	1086-8	+5
Settlem't	1071	+5	—	—

Amalgamated Metal Trading reported that in the morning cash Higher Grade traded at £1,064.5, three months £1,085, 86, 87, 88, 87, 87.5. Kerb: Higher Grade: Three months £1,087, 88.5, 88. Afternoon: Higher Grade: Three months £1,088. Kerb: Higher Grade: Three months £1,088, 88.5, 89, 90, 91, 92. Turnover: 25,150 tonnes. U.S. Producers: 65.00-69.00 cents per pound.

TIN

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —†
High Grde	£	£	£	£
Cash	9740-1	+15.5	9740-1	+.5
3 months	9740-1	+15.5	9740-1	+5.5
Settlem't	9741	+11	—	—
Standard				
Cash	9736-40	+60	9710-20	+20
3 months	9690-5	+30	9695-700	+10
Settle m't	9740	+50	—	—
Straits E.	$29.15	—	—	—

Tin—Morning: Standard: Three months £9,710, 9,700, 9,685. Higher Grade: Three months £9,740. Kerb: Standard: Three months £9,700. Afternoon: Standard: Cash £9,720, three months £9,700, 9,700, 9,695. Kerb: Standard: Three months £9,700, 5. Turnover: 2,310 tonnes.

LEAD

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —†
	£	£	£	£
Cash	336.5-7	+8.25	364-6	+8.5
3 months	353.5-4	+3.25	352.5-3	+3.5
Settlem't	367	+8	—	—

Lead—Morning: Three months £352, 52.5, 53, 52.5, 53.5. Kerb: Three months £353.5. Afternoon: Three months £353.5, 54, 53. Kerb: Three months £353, 52, 51, 52. Turnover: 17,225 tonnes. U.S. Spot: 26.00-28.00 cents per pound.

ZINC

ZINC	a.m. Official	+ or —	p.m. Unofficial	+ or —†
	£	£	£	£
Cash	628-9	+4.5	626-7	+4
3 months	630.5-1	+5.25	629-30	+5.75
Settlem't	629	+4	—	—

Zinc—Higher Grade Official/Unofficial Prices: Cash am 680-5, pm 677-82, three months am 675-80, pm 673-7; settlement 685.

Zinc—Morning: Three months £630, 29.5, 30, 31, 31.5, 31. Kerb: Three months £630, 29. Afternoon: Three months £630, 29, 28, 29. Kerb: Three months £630, 31. Turnover: 9,125 tonnes. U.S. Prime Western: 45.00-45.75 cents per pound.

ALUMINIUM

Alumin'm	a.m. Official	+ or —	p.m. Unofficial	+ or —†
	£	£	£	£
Spot	926-7	—12	925-.5	—21.7
3 months	951-.5	—22	949.5-50	—24

Aluminium—Morning: Three months £945, 46, 48, 47.5, 47, 46.5, 46, 45.5, 45, 44.5, 45, 44.5, 44, 49, 50, 51, 52, 53, 54, 52, 51, 52, 52.5, 52, 51.5. Kerb: Three months £952, 51, 52, 51.5, 51, 50, 49. Afternoon: Three months £951, 49, 50, 49, 49.5, 49, 48, 48.5, 49, 50. Kerb: Three months £950, 51, 51.5, 51, 50, 49, 48, 47, 48. Turnover: 40,725 tonnes.

NICKEL

NICKEL	a.m. Official	+ or —	p.m. Unofficial	+ or —†
Spot	3758-60	+15	3792-5	+39
3 months	3843-5	+17	3877-9	+38.5

Nickel—Morning: Three months £3,845, 44, 45, 47, 45, 43. Kerb: Three months £3,845, 48. Afternoon: Three months £3,850, 55, 75, 80. Kerb: Three months £3,880, 79, 80. Turnover: 624 tonnes.

SILVER

Silver was fixed 0.8p an ounce lower for spot delivery in the London bullion market yesterday at 599.6p. U.S. cent equivalents of the fixing levels were: spot 748c, down 5.2c; three-month 765.5c, down 6.8c; six-month 783.5c, down 5.9c; and 12-month 824.4c, down 6.6c. The metal opened at 600-603p (750-753c) and closed at 603-606p (750-753c).

SILVER per troy oz	Bullion fixing price	+ or —	L.M.E. p.m. Unoffic'l	+ or —
Spot	599.60p	—0.80	603.5p	+2.5
3 months	613.60p	—0.85	617.75p	+2.5
6 months	627.10p	—0.85	—	—
12months	656.10p	—0.80	—	—

LME—(2,000 oz contract): Cash 603.5p (601p); three months 617.75p (615.25p). Turnover: 0 (0). Turnover: 180 (36) lots of 10,000 oz. Morning: Large 1st ring three months 614, 2nd ring three months 614.5, 14. Kerb: Untraded. Afternoon: Large 1st ring three months 615, 17.5, 17, 16.5; 2nd ring three months 617, 17.5, 17.4. Kerb: Untraded.

WEEKLY METALS

All prices as supplied by Metal Bulletin.

ANTIMONY: European free market, 99.6 per cent, $ per tonne, in warehouse: 3,300-3,400.

BISMUTH: European free market, min. 99.99 per cent, $ per pound, tonne lots in warehouse: 6.40-6.55.

CADMIUM: European free market, min. 99.95 per cent, $ a pound, in warehouse: ingots 1.14-1.19, sticks 1.16-1.21.

COBALT: European free market, 99.6 per cent, $ per pound, in warehouse: 11.40-11.60.

MERCURY: European free market, min. 99.99 per cent, $ per flask, in warehouse: 303-310.

MOLYBDENUM: European free market, drummed molybdic oxide, $ per pound Mo, in warehouse: 3.00-3.15.

SELENIUM: European free market, min. 99.5 per cent, $ per pound, in warehouse: 9.30-9.75.

TUNGSTEN ORE: European free market, standard min. 65 per cent, $ per tonne unit WO_3, cif 77-79.

VANADIUM: European free market, min. 98 per cent V_2O_5, other sources, $ per pound V_2O_5, cif 2.00-2.10.

Producer list price for selected metals as recorded in Metal Bulletin.

BISMUTH: UK: MCP-Peko, 99.99 per cent, $ per pound, tonne lots, ex-warehouse: 6.50.

COBALT: World, Zaire: Sozacom, $ per pound: 12.50.

NICKEL: World, Inco, melting grade, $ per pound, cif Far East and America, delivered rest of world: 3.20.

URANIUM: Nuexco exchange value, $ per pound U_3O_8 16.00.

VANADIUM: Highveld fused, min. 98 per cent V_2O_5, $ per pound V_2O_5, cif: 2.41.

ZINC: GOB producer basis, $ per tonne: 900.

COCOA

During a reasonably active day futures traded within a narrow range and closed on a steady note near the highs. Producers declined to participate at the present levels but some scale-down consumer buying was noted, reports Gill and Duffus.

COCOA	Yesterday's Close	+ or —	Business Done
	£ per tonne		
Nov	1808-2500	—	—
Dec	1899-1900	—9.5	1903-1886
March	1850-1851	—7.0	1858-1826
May	1848-1849	—4.0	1859-1839
July	1847-1848	—4.0	1852-1841
Sept	1847-1848	—5.0	1852-1845
Dec	1805-1807	—5.0	1812-1803
Mar	1798-1810	—8.5	1805-1808

Sales: 4,507 (3,248) lots of 10 tonnes.

ICCO indicator prices (U.S. cents a pound). Daily price for Nov 20: 101.23 (102.57); five-day average for Nov 21: 104.11 (105.24).

COFFEE

In light volume trade buying encouraged initial gains of £7-10, reports Drexel Burnham Lambert. Prices rose gradually before resistance between £2,350-2,355, basis January, influenced a retracement of £10 in most positions. However, a sharp decline in sterling prompted fresh support and values closed on a steady note.

COFFEE	Yesterd'ys Close	+ or —	Business Done
Nov	2540-48	+14.0	2546-20
January	2357-58	+19.0	2360-45
March	2240-45	+32.5	2246-15
May	2200-01	+29.5	2200-63
July	2185-87	+24.5	2185-59
Sept.	2177-78	+26.5	2177-59
Nov.	2167-70	+22.0	2170-56

Sales: 2,295 (2,247) lots of 5 tonnes.

ICO indicator prices (U.S. cents per pound) for November 19: Compilation daily 1979 138.81 (139.78); 15-day average 138.92 (138.73).

GRAINS

LONDON GRAINS—Wheat: U.S. Dark Northern Spring No. 1, 15 per cent, Dec 152.15, Jan 157.70, Feb 160.0 transhipment East Coast. U.S. No. 2 Soft Red Winter Dec/Jan 144, Feb 144.25. English Feed fob Jan/March 113.50 buyer East Coast. Maize: U.S. No. 3 Yellow/French transhipment East Coast, second-half Nov/second-half Dec 146 quoted. Barley: English Feed fob Dec 112 sellers Inverness. Rest unquoted.

	WHEAT		BARLEY	
Mnth	Yesterd'ys close	+ or —	Yesterd's close	+ or —
Nov	107.60	+0.35	107.10	+0.15
Jan	110.10	+0.30	109.55	+0.20
Mar	113.45	+0.30	112.85	+0.25
May	116.80	+0.30	115.60	+0.35
July	118.30	+0.20	—	—
Sept	97.60	—	96.60	—

Business done—Wheat: Nov 107.50-7.25, Jan 110.05-09.80, March 113.40-3.20, May 116.80-6.50, July and Sept untraded. Sales: 27 lots of 100 tonnes. Barley: Nov 107.10-7.00, Jan 109.56-9.50, March 112.85-2.75, May 115.50-5.30, Sept untraded. Sales: 64 lots of 100 tonnes.

HGCA — Locational ex-farm spot prices. Feed barley: S. West 107.40, N. West 104.00. The UK Monetary Coefficient for the week beginning Monday November 26 (based on HGCA calculations using five days' exchange rates) is expected to remain unchanged.

The markets were again quiet, rising on profit-taking, reports Muirpace.

PIGMEAT

Prices closed on a slightly weaker note because of lower physical prices and also light hedge selling. Volume was moderate and conditions were dull, reports CCST Commodities.

Month	Yesterdays close	Previous close	Business done
	p. per kilo (deadweight)		
Feb	117.80	117.70	117.40-17.20
April	116.30	116.70	116.20
June	111.80	112.20	111.80
Aug	109.80	110.00	110.00
Oct	114.50	114.60	114.50
Nov	115.50	115.60	—

Sales: 40 (21) lots of 50 carcases. 3,250 kg.

POTATOES

With little fresh news the market continued to drift downwards in thin volume and closed at the lows on all positions bar November, which picked up on the final call, reports Coley and Harper.

Month	Yesterdy's close	Previous close	Business Done
	£ per tonne		
Nov	53.30	53.60	53.00-52.50
Feb	48.30	48.30	—
April	57.30	58.60	58.40-57.30
May	60.00	61.50	60.50-60.00
Nov	69.50	68.00	—

Sales: 135 (201) lots of 40 tonnes.

RUBBER

FUTURES—RSS No. 1, £ per tonne. Dec 595, 615; Jan 605, 625; Feb 615, 635; March 625, 645; April 635, 655; May 645, 665; June 655, 675; July 665, 685; Aug 675, 695; 1985 Jan/March 615, 635; 1985 April/June 645, 665; 1985 July/Sept 675, 695. Sales: 0 (0) lots of 5 and 15 tonnes.

PHYSICALS—The London market opened unchanged, attracted no interest throughout the day and closed idle, reports Lewis and Peat. Closing prices (buyers): spot 60.00p (same); Dec 69.75p (69.50p); Jan 70.50p (70.25p). The Kuala Lumpur Dec fob price for RSS No. 1 was 195.5 (195.25) cents a kg and for SMR 20 was 185.0 (same).

SOYABEAN MEAL

The market opened unchanged in quiet trading conditions, reports T. G. Roddick. Prices remained steady in narrow ranges.

	Yesterday close	+ or —	Business Done
	£ per tonne		
Dec	155.0-160.0	—	—
Feb	137.8-139.2	+0.50	138.0-137.5
April	140.5-141.0	+0.20	140.5
June	142.0-142.5	+0.15	142.1
August	145.2-145.8	+0.35	145.0
October	146.5-148.0	+0.75	—
Dec	148.0-150.2	+1.10	—

Sales: 44 (32) lots of 20 tonnes, 0 (0) lots of 100 tonnes.

SUGAR

LONDON DAILY PRICE — Raw sugar $112.50 (£90.00), down 50c (unchanged) a tonne for Nov-Dec-Jan delivery. White sugar $158.50, down 50c.

Prices showed little change in quiet trading conditions, reports C Czarnikow.

No.6 Contract	Yest'day's close	Previous close	Business done
	$ per tonne		
Dec	128.8-127.6	126.0-128.2	128.0-126.6
Mar	145.0-145.2	145.6-146.0	146.4-144.6
May	152.0-152.4	153.0-153.4	153.6-151.6
Aug	161.6-162.0	162.0-162.4	163.0-161.0
Oct	168.4-168.8	169.6-170.2	170.6-164.0
Dec	176.0-177.0	176.6-177.6	177.0-176.4
Mar	190.0-181.0	190.6-191.2	191.6-191.0

Sales: 2,310 (3,077) lots of 50 tonnes.

Tate and Lyle delivery price for granulated basis sugar was £194.00 (same) a tonne for export.

International Sugar Agreement—(U.S. cents per pound fob and stowed Caribbean ports). Prices for Nov 19: Daily price 4.16 (4.34); 15-day average 4.59 (4.61).

INDICES

FINANCIAL TIMES

Nov. 19	Nov. 16	M'th ago	Year ago
293.97	295.49	295.99	284.26

(Base: July 1 1952 = 100)

REUTERS

Nov. 20	Nov. 19	M'th ago	Year ago
1867.0	1869.7	1902.1	1914.9

(Base: September 18 1931 = 100)

MOODY'S

Nov. 16	Nov. 7	M'th ago	Year ago
983.4	966.0	960.8	1008.9

(Base: December 31 1931 = 100)

DOW JONES

Dow Jones	Nov. 16	Nov. 7	Month ago	Year ago
Spot	—	126.85	124.3	134.43
Fut	128.94	130.13	126.95	140.79

(Base: December 31 1974 = 100)

WOOL FUTURES

SYDNEY GREASY WOOL—Close (in order: buyer, seller, business). Australian cents per kg. Dec 563.5, 584.0, 564.5-564.0; March 581.5, 582.5, 582.0; May 589.5, 580.5, 590.0; July 595.0, 598.0, 596.0; Oct 587.0, 589.0, 587.0; Dec 590.0, 591.0, untraded; March 596.5, 600.0, untraded; May 599.5, 608.0, untraded. Sales: 48.

LONDON NEW ZEALAND CROSSBREDS—Close (in order: buyer, seller business). New Zealand cents per kg Dec 507, 509, 509; Jan 507, 508, 510 509; March 513, 514, 515-513; May 520 521, 522-520; Aug 534, 536, 536-535; Oct 535, 537, 539-538; Dec 535, 538, 539-538; Jan 537, 540, 539.538; March 547, 548, 548-547; May 550, 552, 555-551. Sales: 145.

COTTON

LIVERPOOL — Spot and shipment sales amounted to 20 tonnes. Activity was on a restricted scale and operations were only tentative. A scrappy demand came forward in certain African styles while Middle Eastern speciality styles were in modest request.

MEAT/FISH

MEAT COMMISSION—Average fatstock prices at representative markets. GB—Cattle 95.10p per kg lw (—0.05); GB—Sheep 179.30p per kg est dcw; GB—Pigs 90.48p per kg lw.

SMITHFIELD—Pence per pound. Beef: Scottish killed sides 77.0 to 84.0; English hindquarters 96.0 to 100.5, forequarters 53.5 to 58.0; Ulster hindquarters 93.5 to 97.0, forequarters 54.0 to 57.5; Eire hindquarters 92.5 to 97.5. Veal: Dutch hinds and ends 122.0 to 126.0. Lamb: English small 74.0 to 80.0, medium 74.0 to 78.0, heavy 72.0 to 76.0; Scottish medium 74.0 to 76.0, heavy 72.0 to 74.5.

Christmas tree forecast

THE British Christmas Tree Growers Association estimates there will be 3m home grown trees available this Christmas. In addition it is expected that as many as 1m trees may be imported from the Continent. Prices will be similar to the last four years at between £6-£7 for a good quality tree, the association said.

AMERICAN MARKETS

NEW YORK, November 20.

Gold and silver attracted light short-covering in response to the firmer tone to financials along with the lack of follow-through selling in spite of a firm tone to the dollar, reports Heinold Commodities. Copper rallied on short-covering in response to reports of Chinese buying interest. Aluminium came under pressure from stop-loss selling and arbitrage selling on weakness in sterling. Freer availability of cash supplies tended to encourage selling in cocoa. Coffee was steady on a lack of fresh news. Sugar remained under pressure on the weak tone to demand in cash markets. Cotton traded lower in featureless trade reflecting light selling in anticipation of a bearish U.S. consumption report. Heating oil prices reacted to the cold weather in the north-east; however, price advances were tempered by the fact that some Opec countries may violate their quota allocations. Soyameans were mixed in light trade as downward pressure from oil and meal clashed with a strong premium on new crop shipments. Soyabeans closed narrowly mixed. Maize finished slightly lower. Wheat prices firmed on the close with new buying motivated by expectations of lower winter wheat plantings.

NEW YORK

ALUMINIUM 40,000 lb, cents/lb

	Close	High	Low	Prev
Dec	52.05	52.70	51.85	53.95
Jan	52.50	52.90	52.70	54.40
March	53.50	54.15	53.35	55.40
May	54.55	54.90	54.70	56.45
July	55.60	56.30	55.90	57.50
Sept	56.65	56.95	56.95	58.55
Dec	58.25	—	—	60.20
Jan	58.70	—	—	60.75
March	59.85	—	—	61.85

COCOA 10 tonnes, $/tonnes

	Latest	High	Low	Prev
Dec	2300	2310	2274	2295
March	2156	2180	2142	2275
May	2151	2183	2147	2184
July	2170	2190	2170	2186
Sept	2190	—	—	2188
Dec	—	—	—	2138
March	—	—	—	2140

COFFEE "C" 37,000 lb, cents/lb

	Close	High	Low	Prev
Dec	141.25	41.50	40.40	41.34
March	138.33	38.62	37.90	38.62
May	137.00	37.25	36.75	37.20
July	135.85	35.95	35.50	36.05
Sept	134.03	34.20	33.85	34.10
Dec	132.55	32.70	32.65	32.38
March	131.03	31.05	31.00	30.28

COPPER 25,000 lbs, cents/lb

	Close	High	Low	Prev
Nov	58.80	—	—	58.35
Dec	59.60	59.75	58.55	58.45
Jan	59.45	59.45	59.00	58.95
March	61.10	61.25	—	59.90
May	62.10	62.20	61.05	60.95
July	62.95	63.00	62.15	62.00
Sept	63.90	63.90	63.25	63.05
Dec	65.75	65.60	64.85	64.80
Jan	66.25	—	—	65.10

COTTON 50,000 lbs, cents/lb

	Close	High	Low	Prev
Dec	64.33	64.50	64.30	64.47
March	65.77	65.95	65.67	65.87
May	67.13	67.30	67.08	67.24
July	68.25	68.49	68.25	68.46
Oct	68.30	68.40	68.40	68.55
Dec	68.50	68.65	68.50	68.65
March	69.55	—	—	68.65
May	69.80	—	—	69.70

CRUDE OIL (LIGHT) 42,000 U.S. gallons, $/barrels

	Latest	High	Low	Prev
Jan	27.87	27.96	27.78	27.83
Feb	27.74	27.81	27.61	27.67
March	27.51	27.61	27.43	27.49
April	27.37	27.46	27.22	27.40
May	27.34	27.34	27.30	27.32
June	27.33	—	—	27.26
July	27.05	—	—	27.24
August	27.00	—	—	27.18
Sept	—	—	—	27.18
Oct	—	—	—	27.18

GOLD 100 troy oz, $/troy oz

	Close	High	Low	Prev
Nov	343.1	—	—	342.5
Dec	343.8	344.4	342.8	343.3
Jan	346.4	—	—	345.9
Feb	349.0	349.6	348.0	348.5
April	354.2	354.5	353.3	353.7
June	360.0	360.3	359.1	359.5
August	365.8	366.2	365.6	365.3
Oct	371.9	371.2	371.2	371.4
Dec	378.4	378.3	378.0	378.0
Feb	385.3	—	—	384.9
April	392.2	—	—	391.7
June	398.8	—	—	399.3
August	407.5	—	—	407.0

HEATING OIL 42,000 U.S. gallons, cents/U.S. gallons

	Latest	High	Low	Prev
Dec	77.90	78.35	77.66	77.55
Jan	79.00	79.45	78.75	78.67
Feb	78.70	79.05	78.40	78.37
March	75.60	75.75	75.45	75.50
April	72.75	73.00	72.70	72.60
May	71.90	72.00	71.65	71.60
June	71.00	—	—	71.00
July	—	—	—	70.60
August	—	—	—	70.50
Sept	—	—	—	70.50

ORANGE JUICE 15,000 lb, cents/lb

	Close	High	Low	Prev
Jan	170.70	71.25	69.55	69.15
March	171.70	71.95	70.50	70.40
May	171.60	71.75	70.50	70.70
Sept	169.00	68.50	68.50	68.00
Nov	157.50	67.50	66.75	66.00
Jan	165.00	64.50	64.50	63.95
March	165.50	64.50	64.50	63.95

PLATINUM 50 troy oz, $/troy oz

	Close	High	Low	Prev
Nov	322.0	—	—	321.9
Jan	326.5	27.0	23.0	325.4
April	334.3	34.5	31.5	334.2
July	342.1	41.0	39.5	342.0
Oct	350.0	49.5	48.5	349.9
Jan	357.9	57.5	57.5	357.8

SILVER 5,000 troy oz, cents/troy oz

	Close	High	Low	Prev
Nov	754.1	—	—	752.7
Dec	755.5	757.0	748.0	754.5
Jan	761.4	758.0	757.0	760.5
March	773.4	775.0	766.0	772.6
May	785.9	787.5	779.0	785.3
July	798.8	800.1	792.0	798.3
Sept	812.9	813.0	809.0	812.4
Dec	835.2	836.0	829.0	834.8
Jan	842.8	—	—	842.4

SUGAR WORLD "11" 112,000 lbs, cents/lb

	Close	High	Low	Prev
Jan	4.66	4.80	4.65	4.77
March	5.29	5.37	5.28	5.35
May	5.60	5.69	5.59	5.65
July	5.91	5.97	5.89	5.94
Sept	6.17	6.21	6.15	6.19
Oct	6.37	6.44	6.34	6.41
Jan	6.80	6.88	6.88	6.83
March	7.37	7.41	7.35	7.39

CHICAGO

MAIZE 5,000 bu min, cents/56lb-bushel

	Close	High	Low	Prev
Dec	274.6	276.4	274.4	276.0
March	282.4	284.0	282.2	283.4
May	289.2	290.4	289.0	289.6
July	293.4	294.6	293.2	293.6
Sept	289.0	290.6	289.0	289.2
Dec	285.6	287.4	285.2	286.2
March	293.4	295.2	293.4	294.0

SOYABEANS 5,000 bu min. cents/60lb-bushel

	Close	High	Low	Prev
Nov	604.0	606.6	602.0	604.2
Jan	616.2	619.0	613.0	614.4
March	630.2	632.4	626.4	628.2
May	643.2	645.4	640.4	641.2
July	653.0	655.4	651.0	651.2
August	653.0	654.4	651.0	651.0
Sept	644.0	644.4	642.0	641.0
Nov	643.0	643.4	640.4	640.2
Jan	657.0	—	—	655.0

SOYABEAN MEAL 100 tons, $/ton

	Close	High	Low	Prev
Dec	151.1	151.5	150.2	150.4
Jan	154.4	154.8	153.3	153.6
March	160.7	161.0	159.5	159.8
May	165.7	166.3	165.0	165.0
July	171.8	172.0	170.3	171.3
August	172.5	173.5	172.5	172.0
Sept	174.0	175.0	174.0	174.1
Oct	174.0	—	—	175.3

SOYABEAN OIL 60,000 lbs, cents/lb

	Close	High	Low	Prev
Dec	27.90	28.34	27.80	27.97
Jan	26.56	26.80	26.45	26.53
March	25.57	25.72	25.45	25.47
May	25.15	25.26	25.02	25.00
July	24.95	25.00	24.77	24.70
August	24.53	24.66	24.40	24.42
Sept	24.25	24.50	24.25	24.10
Oct	24.12	—	—	23.85
Dec	24.00	24.00	23.90	23.84

WHEAT 5,000 bu min, cents/60lb-bushel

	Close	High	Low	Prev
Dec	359.6	360.0	356.4	357.2
March	360.6	361.0	358.2	359.0
May	353.2	354.0	352.6	352.4
July	342.2	342.4	341.0	341.2
Sept	346.4	346.4	345.4	345.4
Dec	358.0	358.2	358.0	356.4

SPOT PRICES—Chicago loose lard 30.00 (31.00) cents per pound. New York tin 550.0-64.0 (552.0-64.0) cents per pound. Handy and Harman silver bullion 748.0 (751.5) cents per troy ounce.

NZ dairy chief backs ruling

THE HEAD of the New Zealand Dairy Board yesterday welcomed the outcome of last week's meetings of the International Dairy Products Council in Geneva.

Mr Jim Graham, chairman of the NZDB, said: "The EEC's commitment to withdraw at a very early date the regulation which allows its traders to export 18-month-old butter at prices well below the agreed Gatt minimum level represents a major breakthrough in recent negotiations aimed at preventing a collapse in butter prices."

CURRENCIES, MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

U.S. GNP fails to depress dollar

The dollar broke through the DM 3.00 level in currency markets yesterday despite a larger than expected downward revision in third quarter U.S. GNP figures and the ever present threat of further Bundesbank intervention. Early trading has seen the dollar attract steady demand despite the threat of dollar sales by the Bundesbank. A 1.9 per cent GNP figure for the third quarter was lower than market estimates of around 2.5 per cent and a previous estimate of 2.7 per cent but this failed to deter dollar demand.

The dollar's rise was not easily explained by dealers in the light of growing evidence that the pace of U.S. economic growth was slowing significantly. There appeared to be underlying fears however of the problem of funding an increasingly large budget deficit. While potentially manageable, a reduction in Federal funding needs would obviously enhance the possibility of lower interest rates.

The dollar closed at DM 3.0060, its best level this month and up from DM 2.9920 on Monday. Elsewhere it finished at SwFr 2.4890 from SwF 2.4735 and Y245.00 from Y243.60. Against the French franc it rose to FFr 9.2225 from FFr 9.1800. On Bank of England figures, its index rose to 140.0 from 139.8.

STERLING — Trading range against the dollar in 1984 is 1.4905 to 1.1875. October average 1.2207. Exchange rate index 76.0, unchanged from Monday and compared with 80.4 six months ago.

Sterling remained on the sidelines for much of the day and only really suffered in late trading as the dollar moved firmer. It closed at $1.2375-1.2385 down from $1.2485-1.2495, a fall of 1.1c and slipped to DM 3.7250 from DM 3.7375. Against the Swiss franc it declined to SwFr 3.0800 compared with SwFr 3.0900 and Y303.00 from Y304.25. It was also weaker in terms of the French franc at FFr 11.3975 from FFr 11.4525.

D-MARK — Trading range against the dollar in 1984 is 3.1416 to 2.5535. October average 3.0676. Trade weighted index 122.1 against 124.6 six months ago.

The dollar was fixed at DM 2.9953 at yesterday's fixing in Frankfurt up from DM 2.9757 and there was no intervention by the Bundesbank at the fixing. There appeared to be little concrete evidence of any open market intervention by the authorities and the prospect of a high U.S. budget deficit and steady U.S. interest rates attracted dollar buying.

Early trading was subdued ahead of today's closure of markets in Germany and tomorrow's closures in the U.S. Afternoon attention was focused on the release of revised third quarter U.S. GNP figures. These showed a rise of 1.9 per cent, representing a larger than expected downward revision. Despite this the dollar surged briefly to above DM 3.00 as the prospect of rising inflation and U.S. interest rates appeared to command much of the market's attention.

EMS EUROPEAN CURRENCY UNIT RATES

	Ecu central rates	Currency amounts against Ecu November 20	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc ...	44.9008	45.0160	+0.26	+0.35	±1.5428
Danish Krone ...	8.14104	8.06975	−0.88	−0.79	±1.6421
German D-Mark	2.24184	2.23262	−0.42	−0.33	±1.1463
French Franc ...	6.87456	6.84978	−0.36	−0.27	±1.3659
Dutch Guilder...	2.52595	2.51830	−0.30	−0.21	±1.5165
Irish Punt	0.72569	0.718847	−0.94	−0.85	±1.6671
Italian Lira	1403.49	1387.86	−1.11	−1.11	±4.0511

Changes are for Ecu, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

STERLING EXCHANGE RATE INDEX

(Bank of England)

	Nov 20	Previous
8.30 am	—	—
9.00 am	76.1	76.1
10.00 am	76.1	76.1
11.00 am	76.1	76.1
Noon	76.1	76.2
1.00 pm	76.0	76.2
2.00 pm	76.1	76.2
3.00 pm	76.1	76.2
4.00 pm	76.0	76.0

£ in New York

	November 20	Prev. close
£ Spot	$1.2380-1.2390	$1.2470-1.2480
1 month	0.05-0.06½ pm	0.04-0.03 pm
3 months	0.01-0.04 dis	0.03-0.06 dis
12 months	0.90-1.00 dis	1.00-1.10 dis

Forward premiums and discounts apply to the U.S. dollar.

POUND SPOT—FORWARD AGAINST POUND

Nov 20	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	1.2370-1.2505	1.2375-1.2385	0.06-0.03c pm	0.44	.03cpm-.02d	−0.02
Canada	1.6350-1.6460	1.6350-1.6360	0.41-0.36c pm	4.45	1.15-1.05pm	4.24
Nethlnd.	4.18¼-4.22½	4.18¾-4.19¼	0.17-0.21c dis	+1.72	0.36-0.43dis	−1.23
Belgium	74.92-75.45	75.00-75.10	1.05-1.02c pm	3.68	3.12-3.09pm	3.68
Denmark	13.41½-13.52	13.41½-13.42½	4½-5½c dis	−0.99	9-11dis	−0.66
Ireland	1.2005-1.2048	1.2012-1.2022	[illegible]	[illegible]	[illegible]	[illegible]
W. Ger.	3.71½-3.74½	3.72-3.73	[illegible]	[illegible]	[illegible]	[illegible]
Portugal	200.00-203.55	200.50-202.10	150-450c dis	−22.23	450-1250dis	−22.23
Spain	208.40-209.70	208.25-208.65	[illegible]	[illegible]	[illegible]	[illegible]
Italy	2,301-2,324	2,301-2,302	[illegible]	[illegible]	[illegible]	[illegible]
Norway	10.78½-10.88	10.78½-10.79½	[illegible]	[illegible]	[illegible]	[illegible]
France	11.39¼-11.47½	11.39½-11.40½	[illegible]	[illegible]	[illegible]	[illegible]
Sweden	10.63¼-10.74	10.63½-10.64½	[illegible]	[illegible]	[illegible]	[illegible]
Japan	300½-304½	303½-303½	[illegible]	[illegible]	[illegible]	[illegible]
Austria	26.08-26.32	26.08-26.14	[illegible]	[illegible]	[illegible]	[illegible]
Switz.	3.07½-3.09½	3.07½-3.08½	[illegible]	[illegible]	[illegible]	4.36

Belgian rate is for convertible francs. Financial franc 75.00-75.15. Six-month forward dollar 0.18-0.23c dis. 12-month 0.85-1.00c dis.

DOLLAR SPOT—FORWARD AGAINST DOLLAR

Nov 20	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.2370-1.2505	1.2375-1.2385	0.06-0.03c pm	0.44	0.03-0.02dis	−0.02
Ireland†	1.0320-1.0410	1.0320-1.0335	0.13-0.21c dis	−1.25	0.41-0.55dis	−1.17
Canada	1.3157-1.3187	1.3182-1.3187	1½-1¼c pm	3.84	4-3¾pm	3.64
Nethlnd.	3.3680-3.3975	3.3960-3.3970	5-13c dis	−1.44	15-28dis	−1.15
Belgium	60.22-60.56	60.50-60.60	1⅞-2⅞ore dis	−2.07	6¾-7½dis	−2.10
Denmark	[illegible]	[illegible]	[illegible]	−3.59	[illegible]	−3.96
W. Ger.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	3.82
Portugal	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	−22.48
Spain	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	−3.69
Italy	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	−5.73
Norway	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	−3.96
France	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	−1.73
Sweden	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	−2.56
Japan	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	3.01
Austria	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	2.08
Switz.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	4.46

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency. Belgian rate is for convertible francs. Financial franc 60.80-60.70.

OTHER CURRENCIES

Nov. 20	£	$		£ Note Rates
Argentina Peso...	169.00-169.30	136.64-136.76	Austria	26.15-26.45
Australia Dollar	1.4585-1.4565	1.1660-1.1665	Belgium	[illegible]
Brazil Cruzeiro...	[illegible]	[illegible]	Denmark	13.45-13.55
Finland Markka	7.7957-7.8187	[illegible]	France	11.41-11.53
Greek Drachma	151.81-155.66	[illegible]	Germany	3.72-3.75
Hong Kong Dollar	9.7460-9.7560	7.8210-7.8240	Italy	2305-2340
Iran Rial	115.0*	91.65*	Japan	302-306
Kuwait Dinar(KD)	[illegible]	[illegible]	Netherlands	4.19½-4.23½
Luxembourg Fr.	75.00-75.10	60.50-60.60	Norway	10.81-10.93
Malaysia Dollar	2.9900-2.9960	2.4000-2.4030	Portugal	212-217
New Zealand Dlr.	2.5225-2.5275	2.0345-2.0370	Spain	207-217
Saudi Arab. Riyal	4.4320-4.4385	3.5615-3.5630	Sweden	10.67-10.78
Singapore Dollar	2.6610-2.6670	2.1615-2.1630	Switzerland	3.07-3.10
Sth African Rand	2.2185-2.2252	1.7795-1.7865	United States	1.24-1.26
U.A.E. Dirham	4.5735-4.5745	[illegible]	Yugoslavia	272-293

* Selling rates.

CURRENCY MOVEMENTS

Nov 20	Bank of England Index	Morgan Guaranty Changes %
Sterling	76.0	−14.6
U.S. dollar	140.0	+27.1
Canadian dollar	89.7	−2.6
Austrian schilling	112.0	+2.6
Belgian franc	89.1	−10.7
Danish Kroner	76.9	−5.5
Deutsche mark	122.1	+6.5
Swiss franc	141.9	+9.5
Guilder	111.6	+3.4
French franc	64.5	−16.1
Lira	46.9	−13.9
Yen	156.3	+12.0

Morgan Guaranty changes: average 1980-1982=100. Bank of England Index (base average 1975=100).

CURRENCY RATES

Nov. 20	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling	—	[illegible]	0.597648
U.S. $	9	[illegible]	0.746163
Canadian $	11.80	—	0.982100
Austria Sch.	4½	21.0924	15.7076
Belgian Fr.	11	[illegible]	45.0160
Danish Kr.	7	[illegible]	8.06975
Deutsche Mark	4½	[illegible]	2.23262
Guilder	5	[illegible]	2.51830
French Fr.	9½	[illegible]	6.84978
Lira	16½	[illegible]	1387.86
Yen	5	[illegible]	181.683
Norway Kr.	8	[illegible]	6.49983
Spanish Pts.	—	[illegible]	125.393
Swedish Kr.	8½	[illegible]	6.41258
Swiss Fr.	4	[illegible]	1.84526
Greek Dr'ch	20½	[illegible]	92.1810
Irish Punt	13¼	[illegible]	0.718847

* CS/SDR rate for Nov. 19: 1.32265.

EXCHANGE CROSS RATES

Nov. 20	Pound Sterling	U.S. Dollar	Deutschem'k	Japanese Yen	French Franc	Swiss Franc	Dutch Guild	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	1.238	3.725	303.0	11.40	3.080	4.188	2302.	1.636	75.05
U.S. Dollar	0.808	1.	3.006	245.0	9.225	2.489	3.387	1865.	1.321	60.55
Deutschemark	0.268	0.332	1.	81.34	3.060	0.827	1.124	617.9	0.439	20.15
Japanese Yen 1,000	3.300	4.086	12.29	1000.	37.62	10.17	13.83	7596.	5.396	247.7
French Franc 10	0.877	1.085	3.268	265.8	10.	2.702	3.674	2019.	1.435	65.85
Swiss Franc	0.325	0.402	1.209	98.38	3.700	1.	1.360	747.2	0.531	24.37
Dutch Guilder	0.239	0.296	0.890	72.36	2.722	0.736	1.	549.6	0.391	17.92
Italian Lira 1,000	0.434	0.536	1.619	131.7	4.953	1.338	1.819	1000.	0.711	32.61
Canadian Dollar	0.611	0.757	2.278	185.3	6.969	1.883	2.560	1407.	1.	45.89
Belgian Franc 100	1.332	1.650	4.963	403.7	15.19	4.104	5.580	3067.	2.179	100.

EURO-CURRENCY INTEREST RATES (Market closing rates)

Nov. 20	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	D-mark	French Franc	Italian Lira	Belgian Franc Conv.	Belgian Franc Fin.	Yen	Danish Krone
Short term	9¾ 9⅞	[illegible]	11-11½	[illegible]	[illegible]	[illegible]	10⅞-11	14½-15½	10¼-10¾	10⅝ 10⅞	[illegible]	[illegible]
7 days' notice	9¾ 9⅞	9¼-9⅜	10⅛-11	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	10¼-10¾	10⅝ 10⅞	[illegible]	12¼-12⅜
Month	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	10¼-10¾	10⅝ 10⅞	[illegible]	[illegible]
Three months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	15-15½	10¼-10¾	10⅝ 10⅞	[illegible]	[illegible]
Six months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	10¼-10¾	[illegible]	[illegible]	[illegible]
One year	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	10¼-10¾	[illegible]	[illegible]	[illegible]

Asian $ (closing rates in Singapore): Short-term [illegible] per cent; seven days [illegible] per cent; one month [illegible] per cent; three months [illegible] per cent; six months [illegible] per cent; one year [illegible] per cent. Long-term Eurodollars: two years [illegible] per cent; three years [illegible] per cent; four years [illegible] per cent; five years [illegible] per cent nominal rates. Short-term rates are call for U.S. dollars and Japanese yen; others two days' notice.

FINANCIAL FUTURES

Gilts weaken

Gilt futures failed to follow through on gains seen in U.S. denominated interest rate contracts on the London Financial Futures Exchange yesterday, while three-month sterling deposits finished at the days low.

The U.S. bond market closed firm overnight, but off its peak following uncertainty about further easing of the Federal Reserve's monetary stance.

A revised figure on U.S. Gross National Product for the third quarter was awaited. This was expected to be below the previous estimate of 2.7 per cent growth, but yesterday's announcement of a 1.9 per cent rise was much lower than expected, and was just the news the market needed.

Eurodollar and U.S. bond futures rallied sharply, but there was some concern at the strength of the dollar despite the GNP figure. This reflects fears that the very high U.S. budget deficit will severely limit the ability of the Federal Reserve to reduce interest rates.

Some profit taking pushed Eurodollars and Treasury bonds down from the day's high, but both contracts remained generally firm. On the other hand gilt futures weakened, as cash prices fell in late trading, and sterling lost ground to the very strong dollar on the foreign exchanges.

LONDON

THREE-MONTH EURODOLLAR
$1m points of 100%

	Close	High	Low	Prev
Dec	90.35	90.38	90.27	90.25
March	89.94	89.95	89.80	89.77
June	89.47	89.47	89.32	89.29
Sept	89.04	89.04	88.91	88.85
Dec	88.60	—	—	88.46

Est volume 4,897 (3,120)
Previous day's open int 11,191 (11,673)

THREE-MONTH STERLING
£250,000 points of 100%

	Close	High	Low	Prev
Dec	90.36	90.42	90.36	90.35
March*	90.50	90.54	90.48	90.49
June*	90.35	90.41	90.36	90.36
Sept*	90.08	90.09	90.08	90.08
Dec*	89.77	—	—	89.76

Est volume 844 (773)
Previous day's open int 6,697 (6,947)

20-YEAR 12% NOTIONAL GILT
£50,000 32nds of 100%

	Close	High	Low	Prev
Dec	109-06	109-18	109-05	109-11
March	108-17	108-24	108-17	108-23
June	108-00	—	—	108-06
Sept	111-03	—	—	111-09
Dec	—	—	—	108-06

Est volume 3,013 (1,958)
Previous day's open int 3,498 (3,239)
Basis quote (clean cash price of 13¾% Treasury 2003 less equivalent price of near futures contract) 02 to 10 (32nds)

STERLING £25,000 $ per £

	Close	High	Low	Prev
Dec	1.2450	1.2507	1.2445	1.2487
March	1.2455	1.2502	1.2455	1.2497
June	1.2478	—	—	1.2522

Est volume 212 (2,837)
Previous day's open int 6,131 (6,933)

DEUTSCHE MARKS DM 125,000 $ per DM

	Close	High	Low	Prev
Dec	0.3343	0.3351	0.3341	0.3347
March	0.3375	0.3379	0.3375	0.3381
June	—	—	—	0.3716

Est volume 27 (262)
Previous day's open int 392 (285)

SWISS FRANCS
SwFr 125,000 $ per SwFr

	Close	High	Low	Prev
Dec	0.4036	—	—	0.4053
March	—	—	—	—
June	—	—	—	0.4456

Est volume nil (2)
Previous day's open int 546 (544)

JAPANESE YEN Y12.5m $ per Y100

	Close	High	Low	Prev
Dec	0.4100	—	—	0.4113
March	—	—	—	—
June	—	—	—	0.4323

Est volume nil (5)
Previous day's open int 318 (388)

FT-SE 100 INDEX
£25 per full index point

	Close	High	Low	Prev
Dec	116.55	116.95	116.30	117.10
March	116.70	—	—	117.20
June	117.00	—	—	117.50

Est volume 207 (200)
Previous day's open int 943 (932)

U.S. TREASURY BONDS
8% $100,000 32nds of 100%

	Close	High	Low	Prev
Dec	71-20	71-27	71-11	71-07
March	70-25	—	—	70-13

Est volume 2,155 (835)
Previous day's open int 3,498 (2,076)

CHICAGO

U.S. TREASURY BONDS (CBT)
8% $100,000 32nds of 100%

	Latest	High	Low	Prev
Dec	71-21	71-28	71-18	71-06
March	70-27	71-01	70-24	70-12
June	70-06	70-11	70.01	69-22
Sept	—	69-20	69-16	69-03
Dec	69-03	69-05	69-00	68-19
March	68-17	68-18	68-17	68-05
June	—	68-11	68-02	67-25
Sept	—	—	—	—
Dec	—	—	—	67-04
March	—	—	—	66-27
June	66-27	66-27	66-27	66-19

U.S. TREASURY BILLS (IMM)
$1m points of 100%

	Latest	High	Low	Prev
Dec	91.48	91.53	91.47	91.47
March	91.10	91.15	91.07	91.02
June	—	90.71	90.61	90.58
Sept	90.29	90.30	90.22	90.15
Dec	—	89.93	89.93	89.79
March	89.57	89.57	—	89.44
June	89.28	89.28	89.23	89.14
Sept	—	88.98	—	88.84

CERT. DEPOSIT (IMM)
$1m points of 100%

	Latest	High	Low	Prev
Dec	90.74	90.79	90.67	90.67
March	90.32	90.33	90.26	90.19
June	89.82	89.84	89.77	89.70

THREE-MONTH EURODOLLAR (IMM)
$1m points of 100%

	Latest	High	Low	Prev
Dec	90.34	90.40	90.32	90.27
March	89.91	89.95	89.86	89.79
June	—	89.47	89.38	89.30
Sept	—	89.02	88.93	88.85
Dec	88.63	88.63	88.57	88.45
March	88.26	88.26	88.23	88.08
June	87.91	87.91	87.90	87.72
Sept	—	87.57	87.57	87.39

STERLING (IMM) $s per £

	Latest	High	Low	Prev
Dec	1.2470	1.2500	1.2450	1.2500
March	1.2470	1.2495	1.2455	1.2510
June	1.2490	1.2535	1.2490	1.2540
Sept	1.2510	1.2510	1.2510	1.2560
Dec	1.2580	—	1.2580	1.2665

GNMA (CBT)
8% $100,000 32nds of 100%

	Latest	High	Low	Prev
Dec	68-30	69-02	68-29	68-24
March	68-05	68-11	68-05	68-00
June	—	67-22	67-21	67-14
Sept	—	—	—	67-01
Dec	—	—	—	66-29
March	—	—	—	—
June	—	—	—	65-29

MONEY MARKETS

Little change, but some late nerves

Interest rates were hardly changed in very quiet trading on the London money market yesterday. Only a small day-to-day credit shortage was forecast, but the Bank of England again failed to find enough bills to purchase at its new dealing rates. The discount houses clearly expect the other clearing banks to leapfrog over Barclays Bank to a base rate of 9¼ per cent within the next week. Three-month interbank was slightly firmer at 9¼ per cent compared with 9⅜ per cent, while discount houses buying rates for three-month bank bills were quoted at 9⅛ per cent, against 9⅛-9¼ per cent.

After the market closed the London branch of the U.S. based Citibank reduced its sterling base rate by ½ per cent to 9½ per cent.

Although the money market finished very calm and quiet a hint of nervousness was detected in other markets in late trading, with cash British funds and gilt edged financial futures ending on a weak note. This followed doubts about any further fall in U.S. rates, and some concern at the decline of sterling against the very strong dollar.

The Bank of England forecast a market shortage of £100m, changing it to £150m at noon and back to £100m in the afternoon. Total help on the day was £110m, with almost half of this provided through late assistance, while the official dealing rate for band 2 bills was cut by ⅛ per cent, bringing it into line with Monday's reduction in band 1 and band 4 bills.

Before lunch the authorities bought £2m bank bills outright in band 1 (up to 14 days maturity) at 9⅝ per cent. In the afternoon another £58m bills were purchased by way of £2m bank bills in band 1 at 9⅝ per cent, and £56m bank bills in band 2 (15-33 days) at 9⅝ per cent. Late assistance of around £50m was also provided.

Bills maturing in official hands, repayment of late assistance and a take-up of Treasury bills from Friday's tender drained £341m, while bank balances below target absorbed £20m. These were partly offset by Exchequer transactions adding £210m to liquidity, and a fall in the note circulation of £35m.

UK clearing banks' base lending rate 9¾-10 per cent since November 20

MONEY RATES

Nov. 20	Frankfurt	Paris	Zurich	Amst'dam	Tokyo	Milan	Brussels	Dublin
Overnight	5.4-5.6	11¼	1⅝-1⅞	5½-5⅝	5.96875	16⅞-17¼	9.40	13¼-13½
One month	5.45-5.60	10⅛-10⅜	4⅛-4⅜	5⅝-5¾	6.34375	16⅞-17¼	10⅝-10¾	13⅞ 14⅛
Two months	5.80-5.95	10⅛-10⅜	—	—	—	—	—	14 -14¼
Three months	5.80 5.95	10⅛ 10⅜	5⅛-5⅜	5⅞-6	6.28125	17⅛-17½	10⅝-10¾	14⅛-14⅜
Six months	5.80-5.95	10⅛-10⅜	—	6⅛-6⅜	—	—	10⅝-10¾	14⅛-14⅜
Lombard	5.5	—	—	—	—	—	—	—
Intervention	—	11	—	5¾	—	—	—	—

LONDON MONEY RATES

Discount Houses Deposit and Bill Rates

Nov. 20 1984	Sterling Certificate of deposit	Interbank	Local Authority deposits	Company Deposits	Market Deposits	Treasury (Buy)	Treasury (Sell)	Eligible Bank (Buy)	Eligible Bank (Sell)	Fine Trade (Buy)
Overnight	—	7-10½	9⅝-9⅞	9-10	8-10	—	—	—	—	—
2 days notice	—	—	9¾	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	—	—	—	—	—
7 days notice	—	9¾-10	9¾	10-10¼	9⅞-9⅞	—	—	—	—	—
One month	9⅞-9⅝	9¾-9⅞	9¾	10-10⅛	9½	9⅜	9⅛	9⅜-9⅜	9⅜-9⅛	10⅛
Two months	9¾-9⅝	9⅜-9⅜	9¾	9⅞	9⅝	9⅛	9⅛	9⅜-9⅝	9¼-9⅛	9⅜
Three months	9⅜-9⅜	9⅜-9⅜	9¾	9⅞	9⅝	9⅛	9⅛	9⅛	9⅛-9⅛	9⅜
Six months	9⅝-9⅞	9⅜-9⅜	9¾	—	—	—	—	9⅛-9⅛	9⅛-9⅛	9⅜
Nine months	9⅜-9⅜	9¾-9⅞	—	—	—	—	—	—	—	—
One year	9⅜-9⅜	9⅜-9⅜	9⅜	—	—	—	—	—	—	—

	Local Auth. negotiable bonds	Local Authority Deposits	Finance House Deposits	$ Cert of Deposits	SDR Linked Deposits	ECU Linked Deposits
One month	10⅛ 10⅛	—	9¾	9.2-9.5	8⅜-8⅝	9⅛-9⅝
Two months	10⅛-10⅛	—	9¾	9.3 9.4	8⅛-8⅜	9⅛-9⅛
Three months	10¼-9⅞	—	9¾	9.35-9.45	8⅝-8⅞	9⅛-9⅛
Six months	10 9⅝	—	9⅜	9.6-8.7	8⅜-9⅛	9⅝-9⅛
Nine months	10¼-9⅞	—	9⅞	9.9-10.0	—	—
One year	10⅛ 9¾	—	9⅜	10.15-10.25	9⅛-9⅛	9⅛ 10⅛
Two years	—	10¼	—	—	—	—
Three years	—	10¼	—	—	—	—
Four years	—	10¾	—	—	—	—
Five years	—	10¾	—	—	—	—

ECGD Fixed Rate Export Finance Scheme IV: Average Rate of Interest period October 3 to November 6 1984 (inclusive): 10.816 per cent. Local authorities and finance houses seven days' notice, others seven days' fixed. Finance Houses Base Rate (published by the Finance Houses Association): 11 per cent from November 1 1984. London and Scottish Clearing Bank Rates for lending 10½ per cent. London Deposit Rates for sums at seven days' notice 7¼-7½ per cent. Treasury Bills: Average tender rates of discount 9.0438 per cent. Certificates of Tax Deposit (Series 6): Deposit £100,000 and over held under one month 10% per cent; one-three months 10 per cent; three-six months 10 per cent; six-nine months 10 per cent; nine-12 months 10 per cent. Under £100,000 9½ per cent from November 7. Deposits held under Series 5 10¼ per cent. The rate for all deposits withdrawn for cash 7 per cent.

FT LONDON INTERBANK FIXING

(11.00 a.m. November 20)

3 months U.S. dollars	
bid 9 9/16	offer 9 11/16

6 months U.S. dollars	
bid 9 7/8	offer 10

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth of the bid and offered rates for $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

MONEY RATES

NEW YORK (Lunchtime)

Prime rate	11¾
Broker loan rate	10¾-10¾
Fed funds	9½
Fed funds at intervention	9¾

Treasury Bills

One month	7.25
Two month	8.40
Three month	8.62
Six month	8.78
One year	8.96

Treasury Bonds

Two year	101²⁷⁄₃₂
Three year	100²⁴⁄₃₂
Four year	100²²⁄₃₂
Five year	105¹⁵⁄₃₂
Seven year	103¼
10 year	100¾
30 year	101²⁵⁄₃₂

Contracts and Tenders

Seminars

INTERNATIONAL CAPITAL MARKETS

OVER-THE-COUNTER

Stock		Sales (Hnds)	High	Low	Last	Chng
Continued from Page 34						
MrdSc	2.40	31	37¾	37½	37½	-⅛
MerrB	1	22	18¼	18¼	18¼	
MeryG s		67	14¼	13¾	14¼	
MerSL	.60	22	10	10	10	+¼
Micom		742	33½	33	33½	+¼
MicrD		139	3¾	3½	3⅝	-½
MicrMk		214	10¼	10	10	-⅛
Micrdy	.06	176	5¾	5½	5½	
MicrTc		400	25	24¼	24⅞	+¼
Microp		316	4½	4½	4½	+⅛
MicrSm		30	4⅝	4½	4⅝	
MdPcA		456	5½	4¼	5	-1
MdStFd	.40	16	18	18	18	-⅛
MidBk s	1.12	156	25⅞	25½	25⅞	+⅜
MdwAir		119	3⅞	3⅝	3⅝	-¼
MillTch		1	2⅞	2⅞	2⅞	-½
MillHr	.44	458	31½	31	31¼	+⅛
Millcm		85	5½	5	5	-¼
Millipr	.44	346	34	32¼	33¼	+⅞
Minscr		244	3½	3¼	3½	
Minstr s		293	17⅞	17½	17⅝	
MGask	.01e	80	13¾	13⅜	13½	
MobiC A		143	6⅛	5⅞	6⅛	+⅛
MobiC B		418	6¼	6	6⅛	+⅛
Modine	1.40	3	35½	35½	35½	
Molectr		56	6½	6¼	6½	
Molex	.03	333	28¾	28	28½	
MonCa	1.40	361	44	42⅞	44	+⅛
Moncor	.44	404	4⅝	4⅜	4½	
MonfCl	.35e	3	16½	16½	16½	+⅛
MonAnt		22	10	9½	9½	-⅛
Monolit		1853	14⅛	13½	13⅝	-⅜
MonuC	1.30	16	24⅞	24⅝	24⅞	-⅛
MorFlo	.01	15	15⅝	15¼	15¼	
MorKg	.09e	57	10¼	10¼	10¼	
Morrsn	.48	457	16¼	15½	16	+⅛
Moseley		372	5⅜	5¼	5¼	-⅛
MotClb	.20	5	14⅝	14⅝	14⅝	-⅛
Multmd	.60	42	35	34¼	35	+¼

[illegible]

EUROBONDS

Euroyen market to open doors for corporate borrowers

BY MAGGIE URRY IN LONDON

THE Euroyen bond market was the centre of attention for the Eurobond market yesterday, as issuers get ready for the December 1 opening of the market to corporate borrowers.

Nomura Securities set a par issue price for the Y50bn 10-year deal for Dow Chemical, which has a 7 per cent coupon. The closing and payment date will be December 1.

Daiwa Securities announced terms for a Y12.5bn issue for Sears Roebuck. That has a seven-year life and a 6⅞ per cent coupon. The issue price will be set on November 30. Both issues were trading well in the grey market yesterday, around their 1¼ per cent selling concessions.

The European houses were pleased to see that commissions have been set on Eurodollar bond terms. For the shorter Sears issue, total fees are 1⅞ per cent, and Dow's gross commissions are 2 per cent.

European bond traders are keen to be active market makers in the Euroyen issues in the secondary market.

Good demand was reported by the lead managers for the issues, coming from a wide spread of investors. More issues have been authorised by the Japanese Ministry of Finance, and Nomura is expected to bring an issue for TRW, while Daiwa is thought to be leading a Goodyear Tire and Rubber bond.

BHF Bank bond average		
Nov 20		Previous
102.125		102.069
High	1984	Low
102.141		98.056

Meanwhile in the Samurai market, New Zealand launched the largest ever issue at Y100bn, lead managed by Nomura. The 10-year bonds, which have a nine year average life, pay a 7.1 per cent coupon and have a par issue price.

There were no new issues in the Eurodollar market yesterday. The two-tranche deal for Sweden, launched late on Monday, traded actively. The five-year portion was offered at the 1¼ per cent selling concession, but the 10-year tranche was moving slowly and was quoted at a discount equal to the 2 per cent total fees.

The difference in coupon between the two tranches is ¼ per cent. Some traders pointed out that the yield curve is steeper than that and that the longer part should pay ⅜ per cent more than the five-year bond.

Eurodollar bonds found buyers yesterday, though their interest was selective. Some recent bond issues, which got left behind in the flood of new deals, were seen as giving good value and they jumped by as much as ¾ point. Others were barely better.

Banque Nationale de Paris launched a Eurosterling floating rate note through its UK subsidiary. The £25m issue has an eight-year average life and, unusually, pays interest at a margin over six-month rather than three-month London inter-bank rate. The margin is ⅛ per cent and front-end fees were 85 basis points.

Dealers remarked that the issue size was too small for active trading, though the bonds were quoted at around 99.40, well inside the fees.

Commerzbank set the terms for the World Bank's DM 200m private placement at a 7⅛ per cent coupon and par issue price for the five-year bonds.

D-Mark bonds were ⅛ to ¼ point higher once the better news of the U.S. economic statistics appeared.

Swiss franc bonds were mixed in low turnover. Credit Suisse was able to set the New South Wales Swiss franc public issue at the maximum SwFr 150m amount. The coupon has been set at 5⅜ per cent and issue price at 99⅝, cutting the yield from the indicated 5½ per cent to 5.44 per cent. The next public issue is expected to be for the World Bank.

Banque Gutzwiller is indicating a 5⅞ per cent yield for the SwFr 40m issue for the Industrialisation Fund of Finland, to be priced on November 23. Citicorp (Switzerland) cut the yield on its SwFr 60m private placement for Tobishima from 4 per cent to 3⅞ per cent.

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. The following are closing prices for November 20.

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SECTION II – INTERNATIONAL COMPANIES
FINANCIAL TIMES
Thursday November 22 1984

A. O. Smith to quit farm market

By Our Financial Staff

A. O. Smith, the world's largest independent manufacturer of car and truck frames, plans to withdraw from the agricultural market and sell certain related subsidiaries, producing a one-time fourth-quarter charge of about $38m, or $4.85 a share.

The charge is almost certain to produce a loss for 1984 for the Milwaukee-based concern, which last year posted net earnings of $13.6m, or $1.85 a share, on sales of $853.4m.

Although the agricultural side's contribution to total sales has fallen from about 20 per cent to just over 7 per cent, the businesses have experienced "significant losses" for the past two years and are expected to report sizeable losses this year, the company said.

The planned disposals provide further evidence of the dismal state of the U.S. farm economy.

Diversifoods buyout may founder after sharp profits slide

BY WILLIAM HALL IN NEW YORK

AN UNEXPECTEDLY sharp drop in third-quarter profits at a subsidiary has thrown into doubt an agreed $525m leveraged buyout of Diversifoods, the Chicago-based fast food chain, which is being proposed by senior management with the assistance of Allen & Company, the New York investment bank.

Diversifoods, which operates 1,400 fast-food restaurants across the U.S., said it had been advised by the proposed buyout group that in the light of the recently announced decline in third-quarter profits of Diversifoods' Godfather's Pizza division and other matters, the would-be purchasers had serious concerns about the willingness of lenders to finance an acquisition at $15.50 a share in cash.

After news of the profits setback, the buyout group had suggested an alternative, offering $10 a share in cash, $4.50 principal amount of a 15-year income debenture payable out of the pre-tax income of the acquired business represented by the Godfather's Pizza division, and a minority share of the equity in Godfather's Pizza.

Diversifoods has rejected the proposal, saying it is not in the best interests of the company and its shareholders. Mr Don Smith, the chief executive of Diversifoods, who is leading the buyout group, has said that the group intends to continue trying to arrange for bank and other institutional financing of the original $15.50 cash proposal. The company has the right to terminate its agreement in principle if financing commitments have not been obtained by December 21. Diversifoods has not authorised the buyout group to propose any alternative offers.

Diversifoods' share price, which had risen to $14.625 after the announcement of the agreed bid last month, fell by 50 cents in early trading yesterday to $10¾.

Write-offs hit First Chicago earnings

By Our New York Staff

FIRST CHICAGO, the 10th largest U.S. banking group, which reported a $71.8m third-quarter loss, after a $278m loan write-off, is considering selling its 57-storey headquarters building as one way to increase the primary capital ratio of its major subsidiary, First National Bank of Chicago.

First Chicago revealed last week that it had signed a wide-ranging agreement with the U.S. Comptroller of the Currency under which it agreed to bolster the primary capital ratio of First National Bank of Chicago from 5 to 6 per cent. First Chicago said that meeting that objective would involve raising about $355m.

Mr Barry Sullivan, First Chicago's chairman, told analysts in New York that the sale of the downtown-Chicago headquarters building was one of a number of moves under consideration. He did not know, however, how much such a sale would raise and emphasised that no decision had yet been taken.

A number of major U.S. banks, including Crocker, Security Pacific and InterFirst, have recently sold their headquarters buildings to raise funds. Others, including BankAmerica, which like First Chicago has also been ordered to lift the primary capital ratio of its major banking subsidiary, are considering such a move.

Mr Sullivan repeated his earlier assertion that the huge third-quarter charge-off and $308m loan-loss provision was a one-time event and that both provisions and earnings would return to more normal levels in the fourth quarter.

"Overall," he said, "we are quite confident about our future." Nevertheless, he admitted that the group had perhaps been "one step slow" in increasing the banking unit's capital base.

Crocker completes staff reshuffle

BY PAUL TAYLOR IN NEW YORK

MR JOHN PLACE resigned as chairman and chief executive of Crocker National, the troubled west coast banking group 57 per cent owned by Midland Bank of the UK. Midland is in the process of acquiring full control of Crocker which has reported a $109.3m loss for the first nine months of this year.

Mr Place, aged 58, who became chairman of the banking group just over two years ago, is being replaced by Mr Frank Cahouet who joined Crocker from Security Pacific in March as chairman and chief executive of Crocker National Bank, the banking group's principal subsidiary, and president and chief operating officer of the bank holding company. Mr Cahouet, aged 52, will retain all his current posts.

The latest change completes a major management reorganisation at Crocker orchestrated by Midland and firmly consolidates Mr Cahouet's control over the San Francisco banking group.

Mr Place had been widely expected to leave Crocker although this has been repeatedly denied by Midland. In January this year Midland described as "entirely unfounded" speculation that Mr Place might be replaced. Since then a string of outsiders have been recruited to fill senior executive positions at the loss-making banking group.

Mr Place said yesterday, "Two recent developments at Crocker have resulted in my decision. Our directors have approved an agreement for Midland Bank to assume full ownership of Crocker.

"Further, the restructuring of Crocker's management team has been completed with the addition of Mr Heff Morby and Mr Dick Rosenberg as vice-chairmen. As they join the talented people already at Crocker, I am confident the company has sufficient depth of management so that a separate chairman for the holding company is no longer required.

"I believe that Mr Cahouet has demonstrated his ability to take on this additional responsibility, and that Crocker's turnround will proceed on schedule under his leadership." Mr Place joined Crocker in 1978 from Anaconda, where he was chairman and chief executive.

Cologne Re warmly clad for frosty business spell

BY JONATHAN CARR IN COLOGNE

A COMPANY whose turnover drops two years running might seem to have cause for embarrassment – especially if it is the oldest, and one of the most prestigious, in its field in the world. Not so the Kölnische Rückversicherung (Cologne Re), founded in 1846 with funds put up by the Oppenheim and Rothschild banks, and today one of West Germany's top reinsurance enterprises.

Cologne Re is drawing the bitter consequences from what its chief executive, Herr Richard Wiedemann, has described as the "earnings crisis" in the industry worldwide. Premium rates were too low in almost every major sector and there was no sign of a durable improvement.

Accordingly Cologne Re has been reappraising its reinsurance commitments, and chopping business ruthlessly in the biggest loss-making sectors. Gross premium income, which rose by no less than 20 per cent as recently as 1980, was down by 2.8 per cent to DM 1.5bn ($500m) in 1983 and is heading for another fall this year.

That cut of 2.8 per cent is sharper than it seems at first sight. About 40 per cent of Cologne Re's premium income comes from abroad, and currency changes over the year on balance boosted the overall result in D-Mark terms.

Moreover, there has been a dramatic fall in individual reinsurance sectors. For example, premium income in the aviation division was down by 28.5 per cent and in transport by 17 per cent. Only life and accident reinsurance showed a rise.

The slimming cure has had an immediate, if so far quite modest, effect. Although the life sector was the only one to show a profit (DM 3.6m), the overall loss on reinsurance activities fell to DM 81.9m from DM 89.9m in 1982. The improvement came despite an unusually large number of big, individual claims from abroad.

The loss was more than covered by profits from Cologne Re's "general business" – mainly investment income – so that reserves could be further strengthened and an unchanged 18 per cent dividend paid. More of the same is in store for 1984, with reinsurance losses (as well as premium income) down for the second year in a row.

Cologne Re is far from the only German concern striving to revamp its reinsurance activities in the face of persistent losses, but its efforts are clearly among the most energetic. The tone, naturally enough, is set by Münchener Rückversicherung (Munich Re), the world's biggest reinsurance enterprise with gross premium income of DM 10bn in 1983.

Munich Re has been warning for several years of the dangers of "cash flow accounting" on the direct insurance market, and stressed that it would drop business where premium levels and conditions in its view were not adequate.

Even so, Munich Re's premium income was still up by 4 per cent last year – and its reinsurance losses from DM 370m to DM 431m. This year a further rise of around 4 per cent is likely – and probably a similar loss as well. Those income increases imply stagnation in real terms when inflation and currency factors are taken into account.

Munich Re is well able to hold its dividend and strengthen its reserves thanks to the buoyant income on its DM 11.3bn worth of investments. The figures, however, help underline the dilemma of a sector where growth and losses seem to go hand in hand.

What of the future? Cologne Re recognises that it cannot go on chopping back the overall level of its premium income year after year. One element of its strategy is to boost the profitable life sector still further (it already accounts for around one fifth of premium income). Another is to assure itself of a firm place in foreign markets.

This is a key reason why Cologne Re decided to give up its 15 per cent stake in Britain's Victory insurance company and to set up its own subsidiary in London, The Cologne Reinsurance Company, from the start of this year. The aim is to build up before long around £10m ($12.3m) worth of non-life business on the major British market. Cologne Re does not want to get involved in international business via the London market, feeling that its own foreign subsidiaries (for example in the U.S., Australia and South Africa) are better able to judge the situation on the spot.

Ultimately, however, all depends on a basic improvement in conditions on the direct insurance market.

For one thing, despite the pounding profits have taken in the last few years, there are still reinsurance companies around ready to pounce on premium business deliberately off-loaded by more cautious enterprises. For another, the rise in investment income (thanks not least to years of high interest rates) has helped create a widespread impression that the "general business" of the reinsurers will always make up for reinsurance losses.

Cologne Re is one company which has no such illusion – hence its determination, as it puts it, "to dress warmly" for a frosty business spell. Its capital and reserves together last year amounted to 220 per cent of its net premiums – up from 206 per cent in 1982. Not all its competitors are so well padded.

AMEV, the third largest Dutch insurance company, has raised its stake in the Bilbao Group, a Spanish insurer, to 53 per cent. The move is designed to expand into the growing Spanish market. The Bilbao Group offers both life and non-life insurance through a network of branches throughout Spain. Page 23

Australian publisher up 34% in year

By Michael Thompson-Noel in Sydney

THE MELBOURNE-based Herald and Weekly Times group scored a 34 per cent boost in net profit in the 12 months to September 30, from A$24.4m to A$32.7m (U.S.$28.1m), and is making a one for five bonus share issue.

There was also an extraordinary profit of A$14.2m, mainly arising from the public floating of Reuters.

The annual dividend is unchanged at 18.75 cents a share, buttressed by earnings of 34.4 cents a share, against last year's 25.7 cents per share.

The Herald group is one of Australia's big four media conglomerates.

The Herald group experienced strong second half profits growth – up 43.5 per cent against 24.6 per cent in the first half.

Interest paid was A$11.7m (A$10m), while depreciation was A$5.6m (A$4.4m). Tax was A$18.9m.

Aircraft sale boosts Air Canada result

By Robert Gibbens in Montreal

AIR CANADA, the national airline, sharply increased its third quarter earnings, although most of the gain came from an aircraft sale.

Net profit was C$37.8m (U.S.$28.8m), including a C$14.6m gain on the equipment sale, against a profit of C$20.9m a year earlier. Revenues were up 13.2 per cent to C$723m from C$639m.

The passenger load factor was 73.2 per cent, up from 68 per cent a year earlier, and the highest for any quarter this year.

For the nine months net profit was C$22.6m against C$17.8m, on revenues of C$1.9bn

INTL. COMPANIES & FINANCE

CSR lifts profits despite lower commodity prices

BY MICHAEL THOMPSON-NOEL IN SYDNEY

CSR, one of Australia's biggest industrial groups, achieved an 11.5 per cent increase in net profits for the half-year to September, from A$44.1m to A$49.2m (U.S.$42.3m), despite lower prices for exported commodities. The interim dividend is held at 9 cents per share on earnings up from 12.6 cents to 13.8 cents a share.

The company interests include sugar, building materials, and a portfolio of resource interests, including a major stake in the Cooper Basin, Basin, Australia's largest onshore oil and gas venture.

There were net extraordinary losses for the half year of A$13.4m, including a provision for future foreign exchange losses of A$16.7m, partially offset by asset disposals and a write-back of surplus provisions totalling A$5.4m. As a result, net profits after tax and extraordinaries were A$35.8m, against A$60.2m last time, which included an extraordinary gain of A$16.1m.

Tax, at A$44m against A$26.8m, was increased by reduced investment allowances, lower exempt income from gold mining, and higher non-deductable expenditure on overseas exloration. Operating profits before tax were up 33.1 per cent at A$99.6m.

Higher earnings from building materials and Pilbara Iron, which is 68 per cent owned, more than offset a fall in profits from sugar milling and coal and losses from a number of activities including aluminium smelting and the South Blackwater coal mine. Two loss makers in the year to last March — the Mt Gunson copper mine and Thiess Petrosea — have been sold.

Malaysian bank swap approved

BY WONG SULONG IN KUALA LUMPUR

THE MALAYSIAN authorities have finally approved the controversial bank swap deal between Mr Daim Zainuddin, the finance minister and the Chinese-controlled Multi-Purpose Holding (MPH).

Under the deal, Mr Daim's family companies will acquire a 40.7 per cent stake in United Malayan Banking Corporation from MPH in return for their 51 per cent stake in Malaysian French Bank and a cash payment of 132m ringgit (U.S.$55m).

The bank swap is controversial on two counts. First, critics of MPH claim that its UMBC stake has been sold too cheaply — at 262m ringgit when some estimate its worth at over 400m ringgit.

Secondly, the authorities have allowed the Malaysian French Bank to be a "special" bank in that it would not have to comply with the general 30 per cent Malay Ownership requirement. The other shareholders in Malaysian French Bank are Bank Indosuez with 30 per cent and the Kuok Foundation with 19 per cent.

Although the bank has only two branches at present, it is understood that it will be allowed to open at least one branch in each of Malaysia's 13 States.

The deal was announced last July, only days before the 45-year-old Mr Daim, a close associate of Dr Mahathir, the Prime Minister, was appointed Finance Minister.

Paliburg shareholders back Wyllie plan

BY DAVID DODWELL IN HONG KONG

Mr Bill Wyllie, the Australian entrepreneur who gained effective control of Regal Hotels (Holdings), the heavily indebted Hong Kong group recently, has won a protracted battle for shareholder support for a complex company reorganisation.

At one of the longest and most lively extraordinary meetings ever held in Hong Kong (it even had a bomb scare), shareholders in Paliburg, a subsidiary of Regal, backed by seven to one a reorganisation package expected to transform the prospects of the group.

At the end of October, Mr Wyllie announced plans for a rights issue for Regal, intended to raise almost HK$400m (US$51m). This marked the final stage of a rescue that began in March when he bought control of the company from the Lo family. Regal's main assets are the Regal Meridien, and Airport Meridien hotels

The proposals were aimed at reducing Regal's bank debt from HK$870m to HK$490m. They also reversed Paliburg's relationship with Regal—making Paliburg the parent, and Regal the subsidiary in return for the cancellation of inter-company debts of HK$133m.

Opponents to the plan insisted—in anonymous letters and newspaper advertisements—that the main beneficiary would be Mr Wyllie himself and fellow Regal director, Mr Y. S. Lo, who, following yesterday's vote, gain effective control of the group for an investment of just over HK$31m apiece.

Sanko Steamship recovery delayed

By Yoko Shibata in Tokyo

SANKO STEAMSHIP, the loss-ridden shipping concern which specialises in tanker operations, has reported a Y24.2bn ($98.8m) pre-tax deficit for the half year to September, compared with a loss of Y27.6bn in the same period of 1983 and a net deficit of Y22.1bn against Y27.5bn. Half-year sales were 6.1 per cent higher at Y129.6bn.

A three-year business reconstruction plan started this year calls for the transfer of 16 wholly-owned VLCCs and ULCCs totalling 4.2m dwt to a newly-formed subsidiary, together with accompanying debts, and an additional grace period for capital repayments on loans of Y290bn. Sanko had also planned to deploy 125 new fuel-efficient bulk carriers totalling 4.4m dwt and to dispose of 123 obsolete vessels totalling 8m dwt over three years. However, the company has managed to reduce its fleet by only 27 vessels totalling 900,000 dwt against this year's target of 3m dwt. Also new bulk carriers totalling 1.4m dwt have been delivered, bringing operating bottoms to 20.5m dwt, up 500,000 dwt from the previous first half.

The larger than expected losses were attributed to a slump in medium and small tanker operations, and a two-month delay in the start of the rescue plan. At the beginning of the year, the company expected half-year pre-tax losses of Y12bn. Its accumulated deficit at the end of September was Y122.1bn.

Sanko expects its rescue package to make a full contribution in the current half year and also foresees a recovery in the tanker market. It projects full-year pre-tax losses of Y35bn, compared with Y55.5bn in 1983-84, a net deficit of Y30bn against Y55bn and sales of Y290bn, up 17.7 per cent.

JAPANESE COMPANY RESULTS

DAIKYO OIL
REFINING/PRODUCT SALES

Six months to	Sept 84 Y	Sept 83 Y
Revenues (bn)	568	577
Pre-tax profits (bn)	†2.29	†7.16
Net profits (bn)	†2.03	†6.43
Dividend	—	—

PARENT COMPANY † Loss

DAIWA HOUSE INDUSTRY
PRE-FAB HOUSING

Six months to	Sept 84 Y	Sept 83 Y
Revenues (bn)	156	141
Pre-tax profits (bn)	7.85	6.99
Net profits (bn)	3.31	3.23
Net per share	9.31	9.38

PARENT COMPANY

FUJI HEAVY INDUSTRIES
FOUR-WHEEL DRIVE CARS

Six months to	Sept 84 Y	Sept 83 Y
Revenues (bn)	313	289
Pre-tax profits (bn)	16.99	17.96
Net profits (bn)	7.78	8.77
Dividend	4.0	4.0

PARENT COMPANY

GENERAL SEKIYU K.K.
OIL REFINING AND SALES

Six months to	Sept 84 Y	Sept 83 Y
Revenues (bn)	371	346
Pre-tax profits (bn)	†0.25	†2.98
Net profits (bn)	†0.16	†2.87
Dividend	3.75	3.75

PARENT COMPANY † Loss

JAPAN LINE
OIL TANKERS/TRAMPERS

Six months to	Sept 84 Y	Sept 83 Y
Revenues (bn)	107	108
Pre-tax profits (bn)	†10.04	†4.57
Net profits (bn)	†11.87	†4.57
Dividend	—	—

PARENT COMPANY † Loss

MARUZEN OIL
REFINING/OIL PRODUCTS

Six months to	Sept 84 Y	Sept 83 Y
Revenues (bn)	762	768
Pre-tax profits (bn)	†6.28	†6.61
Net profits (bn)	†6.23	13.99
Dividend	—	—

PARENT COMPANY † Loss

MINEBEA
PRECISION BALL BEARINGS

Year to	Sept 84 Y	Sept 83 Y
Revenues (bn)	131	94
Pre-tax profits (bn)	9.17	5.05
Net profits (bn)	4.66	2.50
Net per share	21.38	12.24
Dividend	9.50	8.50

PARENT COMPANY

MITSUI OSK LINES
SHIPPING

Six months to	Sept 84 Y	Sept 83 Y
Revenues (bn)	259	248
Pre-tax profits (bn)	5.72	2.77
Net profits (bn)	1.61	1.60
Dividend	—	—

PARENT COMPANY

MITSUI REAL ESTATE

Six months to	Sept 84 Y	Sept 83 Y
Revenues (bn)	115	112
Pre-tax profits (bn)	7.62	8.45
Net profits (bn)	3.62	3.60
Net per share	8.69	9.64
Dividend	4.0	4.0

PARENT COMPANY

NIPPON LIGHT METAL
ALUMINIUM SMELTER

Six months to	Sept 84 Y	Sept 83 Y
Revenues (bn)	142	148
Pre-tax loss (bn)	1.33	4.53
Net profits (bn)	†2.39	0.43
Dividend	—	—

† Loss
CONSOLIDATED/PARENT COMPANY

NIPPON YUSEN K.K.
SHIPPING

Six months to	Sept 84 Y	Sept 83 Y
Revenues (bn)	289	272
Pre-tax profits (bn)	9.59	7.46
Net profits (bn)	4.35	9.48
Net per share	4.98	10.88

PARENT COMPANY

NISSHIN STEEL

Six months to	Sept 84 Y	Sept 83 Y
Revenues (bn)	201	180
Pre-tax profits (bn)	9.53	0.99
Net profits (bn)	4.70	0.18
Dividend	2.50	2.50

PARENT COMPANY

OHBAYASHI-GUMI
CONSTRUCTION

Six months to	Sept 84 Y	Sept 83 Y
Revenues (bn)	356	324
Pre-tax profits (bn)	10.17	11.28
Net profits (bn)	4.14	5.02
Dividend	3.0	3.0

PARENT COMPANY

TAISEI CORPORATION
CONSTRUCTION

Six months to	Sept 84 Y	Sept 83 Y
Revenues (bn)	403	403
Pre-tax profits (bn)	13.63	13.43
Net profits (bn)	6.36	6.95
Net per share	8.22	8.99
Dividend	3.50	3.50

PARENT COMPANY

UK ECONOMIC INDICATORS

ECONOMIC ACTIVITY—Indices of industrial production, manufacturing output (1980=100); engineering orders (1980=100); retail sales volume (1978=100); retail sales value (1980=100); registered unemployment (excluding school leavers) and unfilled vacancies (000s). All seasonally adjusted.

	Indl. prod.	Mfg. output	Eng. order	Retail vol.	Retail value*	Unemployed	Vacs.
1983							
3rd qtr.	102.0	96.8	97	108.3	124.0	2,950	160.0
4th qtr.	103.5	98.1	100	110.3	151.4	2,941	162.0
1984							
1st qtr.	102.7	97.3	101	108.5	123.5	2,998	147.0
2nd qtr.	100.7	98.0	104	111.7	130.7	3,026	154.0
3rd qtr.	99.9	98.3		112.4	133.8	3,076	165.1
May	100.1	97.4	100	110.7	130.6	3,028	156.0
June	100.7	98.5	103	112.1	130.3	3,038	159.0
July	99.4	97.5	101	111.2	133.9	3,055	164.0
August	99.5	98.7		110.9	122.8	3,074	162.0
September	100.8	98.8		114.5	134.2	3,098	170.0
October				113.2		3,101	170.5

OUTPUT—By market sector; consumer goods, investment goods, intermediate goods (materials and fuels); engineering output, metal manufacture, textiles, leather and clothing (1980=100); housing starts (000s, monthly average).

	Consumer goods	Invst. goods	Intmd. goods	Eng. output	Metal mnfg.	Textile etc.	Housg. starts*
1983							
3rd qtr.	98.5	92.0	108.5	94.8	105.3	90.5	17.5
4th qtr.	99.0	93.6	110.2	96.4	110.4	93.0	15.9
1984							
1st qtr.	97.5	92.7	110.0	95.3	113.9	89.3	16.5
2nd qtr.	98.7	94.3	104.7	98.7	107.3	90.3	17.8
3rd qtr.	99.0	94.0	103.0	97.1	107.8	90.3	16.3
May	99.0	94.0	104.0	96.0	103.0	91.0	17.5
June	98.0	95.0	105.0	98.0	112.0	90.0	19.4
July	98.0	94.0	103.0	96.0	106.0	89.0	18.3
August	98.0	94.0	103.0	97.0	111.0	89.0	15.5
September	101.0	94.0	104.0	98.0	106.0	93.0	15.0

EXTERNAL TRADE—Indices of export and import volume (1980=100); visible balance; current balance (£m); oil balance (£m); terms of trade (1980=100); exchange reserves.

	Export volume	Import volume	Visible balance	Current balance	Oil balance	Terms trade	Resv. US$bn*
1983							
3rd qtr.	99.3	106.6	−248	+828	+1,521	99.2	17.90
4th qtr.	107.4	112.7	+ 5	+596	+2,123	98.6	17.82
1984							
1st qtr.	109.5	113.2	− 59	+472	+2,316	97.4	16.75
2nd qtr.	108.3	118.2	−1,193	−283	+1,548	97.1	15.51
3rd qtr.	107.6	119.4	−1,469	−719	+1,818	97.1	15.35
April	104.4	122.4	−817	−514	+380	96.6	15.94
May	108.5	115.0	−279	+ 25	+512	96.8	15.84
June	112.0	117.3	− 97	+206	+656	97.8	15.51
July	102.8	108.6	−137	+113	+784	97.4	15.37
August	111.9	123.8	−568	−318	+417	96.9	15.35
September	108.2	125.7	−764	−514	+617	97.1	15.26
October							15.35

FINANCIAL—Money supply M0, M1 and sterling M3, bank advances in sterling to the private sector (three months' growth at annual rate); building societies' net inflow; HP, new credit; all seasonally adjusted. Clearing Bank base rate (end period).

	M0 %	M1 %	M3 %	Bank advances %	BS inflow £m	HP lending £m	Base rate %
1983							
3rd qtr.	3.9	8.5	8.4	24.6	2,098	2,650	9.50
4th qtr.	7.9	10.4	8.8	18.9	2,745	2,807	9.00
1984							
1st qtr.	4.1	10.1	8.2	13.6	2,609	2,896	8.50
2nd qtr.	4.6	24.5	11.1	18.9	1,795	2,850	9.25
3rd qtr.	5.3	10.2	6.3	9.9	1,628	2,785	10.50
May	4.3	28.3	11.4	19.0	482	1,022	9.13
June	6.2	22.7	14.3	20.6	630	919	9.25
July	6.8	11.4	8.4	17.0	608	976	12.00
August	4.6	11.4	7.1	11.0	133	938	10.50
September	4.4	7.8	4.0	2.4	887	871	10.50
October	6.7	18.5	9.6	11.2	1,125		10.50

INFLATION—Indices of earnings (Jan 1980=100); basic materials and fuels, wholesale prices of manufactured products (1980=100); retail prices and food prices (1974=100); FT commodity index (July 1952=100); trade weighted value of sterling (1975=100).

	Earnings*	Basic matls.*	Whsale. mnfg.*	RPI*	Foods*	FT* comdty.	Strlg.
1983							
3rd qtr.	150.9	124.7	125.1	338.0	319.4	288.14	84.9
4th qtr.	153.2	128.4	126.7	341.8	316.4	298.50	83.2
1984							
1st qtr.	153.6	132.5	129.0	343.9	321.7	308.67	81.7
2nd qtr.	155.9	134.1	132.0	350.9	329.4	305.06	79.8
3rd qtr.	159.6	133.6	132.8			288.95	78.0
May	155.7	134.3	132.1	351.0	329.4	312.45	80.0
June	157.5	134.1	132.2	351.9	330.6	305.06	79.4
July	159.6	133.5	132.5	351.5	328.5	289.86	78.4
August	159.2	132.8	132.6	354.8	326.9	294.18	78.4
September	160.1	134.7	133.3	355.5	324.9	288.95	77.2
October		137.1	134.0	357.7	326.2	292.40	75.6

* Not seasonally adjusted.

Ferinel set to take control of Boussac holding unit

BY DAVID MARSH IN PARIS

THE TANGLED affairs of Boussac Saint-Freres, the struggling French textile group, have taken a new twist with a prospective change of control of the central Boussac holding company, the Agache-Willot textile and retailing group.

Ferinel, a property group specialising in holiday homes, has taken a 20 per cent stake in Agache-Willot under a deal concluded with the four Lille-based Willot brothers, who previously held 42 per cent of the company.

Ferinel, together with the Louis Dreyfus private banking group, *has also agreed to subscribe* to a FFr 400m ($65m) capital increase to Agache-Willot. *This would* give Ferinel and the bank more than 50 per cent control of the holding company, reducing the Willot brothers' stake to 17 per cent.

This transaction could have a crucial bearing on the tussle with other industrial rivals over the future of Boussac.

The prospective change of control of the Agache-Willot group is designed to put the new shareholders in a position to draw up a legal settlement with banks and commercial creditors.

Both Boussac and Agache-Willot have been in the hands *of the Receivers since 1981,* when Boussac filed for bankruptcy with liabilities of around FFr 8bn. Until the collapse this summer of Creusot Loire, this was France's biggest post-war business failure.

Boussac has been under Government-controlled management since spring 1982. The state Industrial Development Institute took a stake of just over 50 per cent in an interim company set up to run the concern on a temporary basis pending a legal settlement with creditors.

Quarrelling within the Government and the company over financial strategy, as well as a *series of legal wrangles with the* Willots, have however held up a settlement with creditors.

Asea 21% ahead at nine months

BY DAVID BROWN IN STOCKHOLM

ASEA, THE Swedish electrical engineering and electronics group, has reported a 21 per cent increase in profits before tax and appropriations to SKr 1.51bn ($175m) from SKr 1.25bn *for* the first nine months ended in September. The increase resulted from higher sales and interest income.

Operating results, which were *especially positive in the industrial* equipment sector, rose by 12 per cent, or SKr 225m, to SKr 2.02bn, while a rise of SKr 147m in net interest income to SKr 174m brought the result before extraordinary items, taxes and appropriations to SKr 1.64bn. Exchange items will not be included and net profits will not be announced until the year-end.

However, there was a sharp *decline in operating results at* Fläkt, the ventilation and pollution control equipment subsidiary. Earnings at Fläkt dropped by SKr 23m to SKr 4m, although sales grew by SKr 1bn to SKr 6.1bn — a quarter of group sales of SKr 24.67bn.

Profitability for the whole Asea group was also hit by a shift in turnover towards less profitable trading activities rather than manufacturing, an *executive said.*

Ellesse cuts work hours as demand falls

By Alan Friedman in Milan

ELLESSE, the Italian manufacturer which is one of Europe's biggest names in ski and tennis wear, is to cut its factory workers' hours by 30 per cent because of a fall in demand.

Dr Leonardo Sevadio, chairman and owner of the *Perugia-based clothing company,* said the cuts, which will affect around 500 of the group's 1,100 employees, are part of a restructuring of Ellesse.

The company last year had consolidated sales of L137bn ($73.7m). Exports accounted for around 60 per cent of turnover. More than a third of sales were in ski wear, half in tennis wear and the balance in shirts, pullovers and other sportswear.

Following the boom years of the 1970s, the sportswear market has, since 1979, been in severe recession. The situation has been aggravated by a too rapid expansion among manufacturers such as Ellesse.

This year Ellesse has already made 100 workers redundant.

In 1984, a year which has seen demand dropping for ski wear, factory workers were laid off for two months. *Dr Servadio said sales of* ski wear were down by 35 per cent in the second half

A new agreement between Ellesse and its trade unions, signed on Monday, calls for factory hands to work 30 per cent fewer hours next year.

The company's 1983 net profits was L1.2bn. This included royalties income from licensing arrangements in South America and Japan. One bright spot for Ellesse is the U.S., where sales this year are expected to be $15m, against $11m in 1983.

Swiss National Bank to report on competitiveness

BY JOHN WICKS IN ZURICH

A WORKING party of the Swiss National Bank is to present a report to the Ministry of Finance on the competitive ability of the country as a financial centre.

Dr Fritz Leutwiler, outgoing president of the National Bank, said yesterday that the group was set up some two years ago but had recently accelerated its programme.

Dr Otto Stich, the Finance Minister, had been informed of the forthcoming report before the wave of recent complaints from Swiss bankers that Switzerland was becoming less attractive as a turntable for international finance.

These claims were "exaggerated," said Dr Leutwiler. However, he stressed that the National Bank was prepared to *talk to Dr Stich about the possi*bilities of gradually scrapping "prohibitive" taxes on financial transactions without a loss for the exchequer.

The National Bank has already said it would like to see a modification of the stamp duty on securities transactions. This would benefit short-term business and allow a Swiss money market to develop.

Elf Aquitaine Norge shows record profits

By Fay Gjester in Oslo

ELF AQUITAINE Norge, operator of the Anglo-Norwegian Frigg gasfield in the North Sea, reports a record after-tax profit of NKr 576m ($66m) in the first half of 1984, compared with NKr 374m in the same period last year. The profit before taxes and end-year allocations was NKr 2.8bn, up 36 per cent. Operating income *was NKr 378m higher,* at NKr 4.5bn.

In addition to Frigg, Elf is operator of the small Heimdal gasfield, due to start production in second half 1986, and for another small Norwegian gas field, East Frigg.

● Frionor, the frozen foods co-operative, incurred a loss of NKr 6m ($688,000) in the year *to June, compared with a profit* of NKr 20.4m a year earlier. The deficit reflected losses on sales to the U.S., which is the group's largest single market, accounting for 33 per cent of total turnover.

Sales increased in value to NKr 1.77bn from NKr 1.64bn and in weight to 102,000 tonnes, (98,500). Higher exports to Comecon states and the Far East more than offset lower sales to the U.S. and the EFTA area.

Amev lifts Bilbao group stake

BY LAURA RAUN IN AMSTERDAM

AMEV, the third-largest Dutch insurance company, has raised its stake in the Bilbao group, a Spanish insurer, to 53 per cent

Amev, based in Utrecht, previously held 42 per cent of Bilbao. It intends to exploit the growing Spanish market.

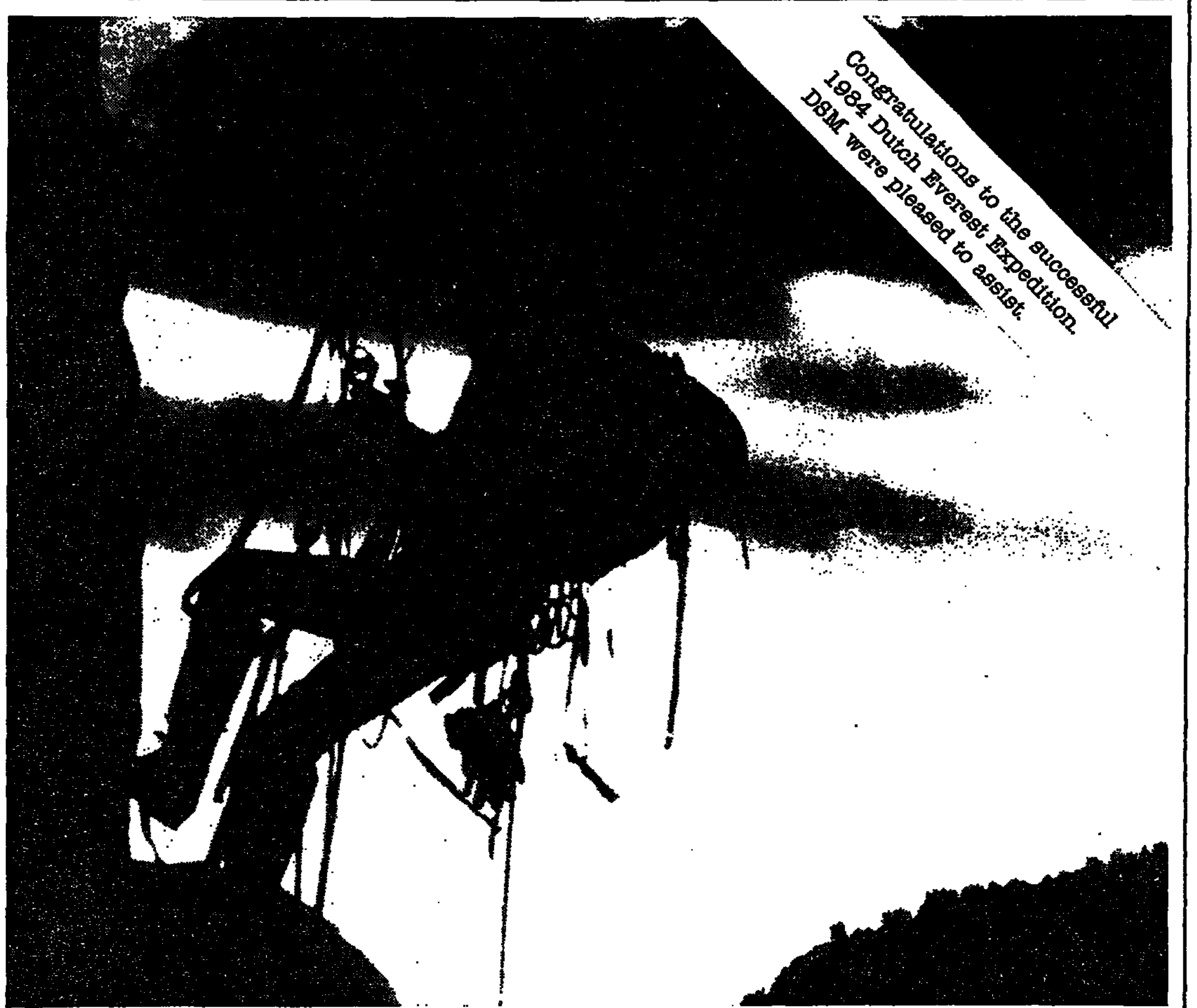
The Bilbao group, which is based in the city of the same name, offers both life and non-life insurance through a network of branches throughout Spain.

Amev, which initially acquired a 25 per cent stake in Bilbao in 1982, has no intention of immediately taking over the rest of the company, which is privately held.

In recent years, Amev has rapidly increased its foreign business. Investment and premium income from overseas accounted for 49 per cent of total income last year, up from 45 per cent in 1982.. Revenues in 1983 were Fl 5bn.

Esselte

On November 15, it was incorrectly reported that Esselte's EBS division in the U.S. would pay a 7 cent dividend per share on third-quarter profits. The correct figure is 9 cents per share.



INTL. COMPANIES & FINANCE

France takes cue from U.S. as risk capital business booms

BY DAVID MARSH IN PARIS

"IN FRANCE," with the development of risk capital funds, people have always said that too much money is chasing too few projects," says M Bernard Simon-Barboux, assistant managing director responsible for corporate finance at the nationalised Banque Indosuez. "In fact it's not true—the abundance of funds makes the projects possible."

He is talking about the change in French attitudes on channeling finance into small businesses. Unashamedly based on risk capital techniques imported from the U.S., the new approach has been reflected this year by an explosion of efforts by French banks and investment institutions.

Along with several foreign entrants, they have been rushing to establish funding schemes for entrepreneurs setting up or expanding in high growth industrial and service industries.

Banque Indosuez, together with its parent company, the Compagnie Financiere de Suez group, has in recent months launched four separate risk capital funding schemes to support companies in France, South East Asia and the U.S.

The idea, according to M Simon-Barboux, is to establish a global network of venture capital schemes facilitating international technology transfers—for instance, European companies wishing to start joint ventures with partners in the Far East, or Californian groups wanting to start high-tech operations in Europe.

The Suez group in actively seeking a more industrially orientated approach, in line with the belief of the new chairman, M Jean Peyrelevade, that it has in the past not contributed enough to strengthening the country's corporate fabric.

It is clearly following in the footsteps of the other state-owned French financial group, Paribas, which set up a San Francisco-based U.S. risk capital fund 2½ years ago and has also been making efforts to strengthen such ventures in France.

Other institutions are also jumping on to the French venture capital bandwagon.

M Gerard Tardy, in change of a new French risk capital group just set up by Citicorp of the U.S., is looking to channel around $20m (FFr 180m) into ventures in France over the next four years. "This is an emerging market—I am confident that it will expand," he says. "There is a lot of money around, and very few professionals."

Citicorp, which has been in the U.S. risk capital business for 20 years and started a successful UK operation in 1980, is examining two or three French dossiers a week involving businesses in fields ranging from computer distribution to gastronomic fast food.

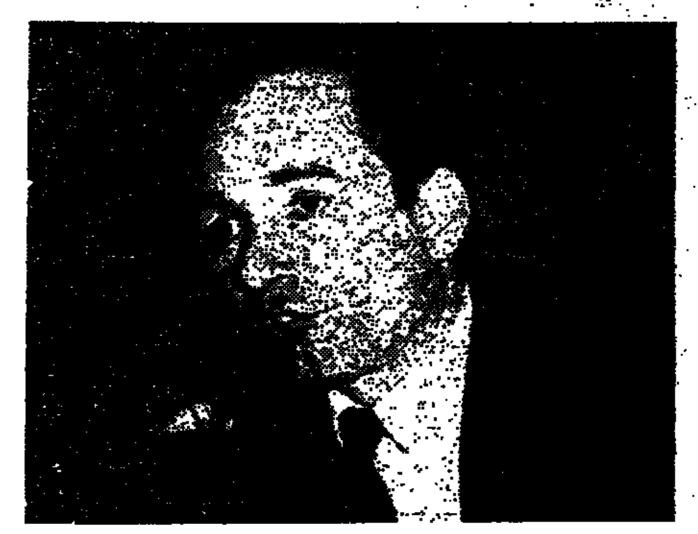
It aims to build up slowly with just one or two investments over the next 12 months—at an average FFr 5m a time—but to accelerate thereafter, benefiting from exchanges of information with other European risk capital ventures being set up in West Germany and Italy.

A new focus for French banks in the promotion of management buyouts. This form of entrepreneurial activity has been neglected in France up to now. But it could hold the key for passing on control to management when a French company owner dies or quits his business—a common cause of bankruptcy in France—or for spinning off parts of large concerns to small, motivated groups of managers.

Although the moves, according to venture capital experts, do not go far enough, the environment for management buy-outs has been improved by legislative changes put into effect this summer. As a result, managers can claim personal tax credits for up to FFr 100,000 of interest paid on business start-up loans, while fiscal and legal requirements on bought-out companies have been relaxed.

Government officials say that buyouts are being studied as a possible way of spinning-off some profitable parts of the bankrupt Creusot-Loire engineering group.

A FFr 40m management buy-out fund, Cofidic, started earlier this year by Banque Paribas and Credit du Nord, has already put into effect around half a dozen operations, and is studying 30 to 40 dossiers. Some include spin-offs from nationalised companies such as the Compagnie Generale d'Electricite group. "There is a lot of demand," says M David Dautresme, the Credit du Nord chairman.



M Bernard Simon-Barboux: "The abundance of funds makes projects possible"

Investors in Industry (3i), the UK financial group owned by nine London and Scottish banks and the Bank of England, which set up a French subsidiary in 1982, made seven investments in French companies in the first half of 1984. The average stake is FFr 3.5m.

Examples include taking of a 15 per cent stake in a small *printing company, Imprim, and* buying a 25 per cent share in a food concern, Comed, to boost business development, particularly links with British distributors.

M Michel Biegala, managing director of 3i's French operations, believes Anglo-Saxon financial expertise—plus the fact that his group is not state controlled—puts 3i in a "unique" position to benefit from the growing French venture capital market.

The Suez group, as a newcomer to the venture capital field, has put emphasis on collaboration, both in terms of expertise and in fund-raising.

Banque Indosuez's recently-announced U.S. venture, Suez Technology Fund, is being managed in co-operation with Sequoia, the Palo Alto-based risk capital concern.

Charterhouse of the UK is a partner in Indosuez's domestic management buy-out fund, set up also with Credit National and Banque Industrielle et Mobiliere Privee. Liquidity for both these two and the third South-East Asian venture is being provided, along with the Suez group itself, by French and foreign institutional investors and some industrial companies.

French institutions such as insurance groups, pension funds and investment arms of large companies now consider that 1 per cent to 2 per cent of their portfolio should be placed directly in technology-linked business ventures, says M Simon-Barboux.

The $30m U.S. fund is already more than two-thirds subscribed, with some of the money coming from two of Indosuez's wealthy Hong Kong-based clients. Two projects involving help for high technology U.S. ventures wishing to set up in Europe are already under consideration, even though the fund has not yet formally started operating, he points out.

Another deal involving a French group linking up with a South Korean industrial company, backed by Indosuez's South East Asia fund, is also in hand.

Despite the activity, one feature of the French venture capital landscape has not changed. State-controlled institutions—especially the traditionally publicity-shy insurance companies—remain discreet about their links with internationally-oriented capital funds.

Amid the increasingly liberal economic atmosphere in France these days, they are anxious not to attract criticism from Left-wing politicians, especially the Communist party, about placing funds in foreign investments.

This document includes particulars given in compliance with the Regulations of the Council of The Stock Exchange for the purpose of giving information with regard to Lazard Brothers Currency Reserve Fund Limited ("the Fund"). *The Participating Redeemable Preference Shares of £0·01* each in the capital of the Fund ("Participating Shares") are offered for subscription on the basis of the information and representations contained in this document. All other information given or representations made by any person must be regarded as unauthorised.

The Directors have taken all reasonable care to ensure that the facts stated herein are true and accurate in all material respects and that there are no other material facts the omission of which would make misleading any statement herein whether of fact or opinion. All the Directors accept responsibility accordingly.

A copy of this *prospectus*, having attached thereto copies of the contracts and *the Auditors' consent referred to respectively in paragraphs 6 and 9 of* Appendix D, has been delivered to the Registrar of Companies in England and Wales for registration.

Application will be made to the Council of The Stock Exchange for all the Participating Shares, issued and available to be issued, to be admitted to the Official List.

The consent of the Advisory and Finance Committee of the States of Guernsey under The Control of Borrowing (Bailiwick of Guernsey) Ordinances 1959 to 1976 has been obtained for the issue of up to 19,000,000 Participating Shares. It must be distinctly understood that in giving its consent the Committee does not take any responsibility for the financial soundness *of any schemes or for the correctness of any of the statements made or opinions* expressed with regard to them.

The distribution of this prospectus and the offering of Participating Shares may be restricted in certain jurisdictions. It is the responsibility of any person in possession of this prospectus and any person wishing to make an application for Participating Shares pursuant to this prospectus to inform themselves of and to observe all applicable laws and regulations of any relevant jurisdiction.

This prospectus does not constitute an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any *person to whom it is unlawful to make such offer* or solicitation. *In particular, the Participating Shares have not been registered under the United States* Securities Act of 1933 and, except in a placement by the Fund that does not involve a public offering, may not be directly or indirectly offered, sold or delivered in the United States or to or for the benefit of US persons, or to others purchasing the Participating Shares for re-offering, re-sale or delivery directly or indirectly in the United States, or to or for the benefit of any such persons. No application for any Participating Shares pursuant to the offer contained in this prospectus will be accepted from any person who is unable to make a declaration stating that such person is not a US person, that such person is not acquiring those Shares for the purpose of re-sale to a US person and that, upon the registration of those Participating Shares in the relevant name or names, no US person will be interested in those Shares.

For the purposes of this prospectus and the accompanying application form, "United States" means the United States of America, each state thereof, its territories and possessions and all areas subject to its jurisdiction; and "US person" means a national or resident of the United States, a partnership or corporation created or organised in or under the laws of the United States or any political sub-division thereof or an estate or trust (other than an estate or trust the income of which from sources outside the United States is not effectively connected with the conduct of trade or business within the United States and is not included for purposes of computing United States federal income tax).

This prospectus shall not constitute an invitation to the public in Guernsey, Alderney or Herm to subscribe for any of the Participating Shares. No application for any Participating Shares will be accepted *from any person who is unable to make a statement that he is not resident in* Guernsey, Alderney or Herm for the purposes of liability to Guernsey income tax and is not applying for those Shares as nominee for any such person.

Statements made in this prospectus are based on the law and practice currently in force in Guernsey and the United Kingdom, and are subject to changes therein.

20 November 1984

Lazard Brothers Currency Reserve Fund Limited

(A company incorporated with limited liability in Guernsey on 15 November 1984 under the provisions of the Companies (Guernsey) Laws, 1908 to 1973)

Initial offer for subscription of up to 19,000,000 Participating Redeemable Preference Shares of £0·01 each of the following classes and at the following prices payable in full on application:

Class of Participating Shares	Subscription Price per Participating Share
Sterling Shares	£10
United States dollar Shares	US$10
Japanese yen Shares	Y3,000
Deutschemark Shares	DM40
Swiss franc Shares	SwFr30
French franc Shares	FFr100

The subscription lists for this offer of Participating Shares will open at 10.00 am Guernsey time on 30 November 1984 and will close not later than 5.00 pm on the same day. Participating Shares will be allotted to applicants on 3 December 1984.

In the event that the amount raised by the issue of Participating Shares pursuant to this offer is less than £1,000,000 or its equivalent (see paragraph 8 of Appendix D) all application monies will be returned to applicants at their risk and will be posted not later than 5 December 1984.

Share Capital

Authorised		Nominal Value
10,000	Management Shares of £1 each	£10,000
19,000,000	Unclassified Shares of £0·01 each	£190,000
		£200,000

Indebtedness

At the close of business on 19 November 1984 the Fund did not have any debentures, loan capital (including term loans) outstanding or created but unissued nor any other borrowings, mortgages, charges or indebtedness in the nature of borrowings, including bank overdrafts, liabilities under acceptances or acceptance credits, hire-purchase commitments, guarantees or any other material contingent liabilities.

LAZARD BROTHERS CURRENCY FUND LIMITED

Directors

DOUGLAS HAIG BUSHELL FIB (*Chairman*)
Lower Hall, Rue de la Pompe, Augres, Trinity, Jersey, Channel Islands
Managing Director, Lazard Brothers & Co., (Jersey) Limited and Lazard Brothers & Co., (Guernsey) Limited

RUPERT ARTHUR REES EVANS
1 Le Marchant Street, St. Peter Port, Guernsey, Channel Islands
Advocate of The Royal Court of Guernsey and a Partner of Ozanne van Leuven & Perrot

PETER TIMOTHY HART
Le Tapis, Clos Royale, Grouville, Jersey, Channel Islands
Director, Lazard Securities (Jersey) Limited and Lazard Brothers Fund Managers (Channel Islands) Limited

GORDON KIRK JOHNS
58 Station Road, Harpenden, Hertfordshire AL5 4TL, United Kingdom
Manager, Lazard Securities Limited

CHRISTOPHER BRUNTON MELLUISH
Thundridge Hill, Ware, Hertfordshire SG12 0UF, United Kingdom
Managing Director, Lazard Brothers & Co., Limited, Joint Managing Director, Lazard Securities Limited

LUCAS HENDRICK WURFBAIN
Torenlaan 49, Laren, Holland
Managing Director, Pierson, Heldring & Pierson NV

Administration

Registered Office
16 Glategny Esplanade, St. Peter Port, Guernsey, Channel Islands

Manager, Secretary and Registrar
Lazard Brothers Fund Managers (Channel Islands) Limited
16 Glategny Esplanade, St. Peter Port, Guernsey, Channel Islands
Telephone Guernsey 21367, Telex 4191643

Investment Adviser
Lazard Securities (Jersey) Limited
2-6 Church Street, St. Helier, Jersey, Channel Islands
Telephone Jersey 37361, Telex 4192383

Custodian and Bankers
Lazard Brothers & Co., (Guernsey) Limited
16 Glategny Esplanade, St. Peter Port, Guernsey, Channel Islands
Telephone Guernsey 21367, Telex 4191643

Auditors
Coopers & Lybrand, Chartered Accountants
Abacus Chambers, Smith Street, St. Peter Port, Guernsey, Channel Islands

Stockbrokers
Hoare Govett Limited
Heron House, High Holborn, London WC1V 7PB, United Kingdom

Legal Advisers
In Guernsey:
Ozanne van Leuven & Perrot, Advocates
PO Box 186, 1 Le Marchant Street, St. Peter Port, Guernsey, Channel Islands
In England:
Freshfields, Solicitors
Grindall House, 25 Newgate Street, London EC1A 7LH, United Kingdom

THE FUND

The Fund was incorporated with limited liability in Guernsey on 15 November 1984. It will be managed and resident in Guernsey. It is an open-ended investment company and will operate in a similar way to a unit trust, so that on each Subscription Day Participating Shares may be issued and redeemed at prices based on their underlying net asset value. Participating Shares being offered may be designated in any one of the currencies listed below. Shares designated in a particular currency form a separate class of Participating Shares. A separate currency fund will be established and maintained for each class of Participating Shares (see further below).

Objectives

The Fund aims to provide investors with a return based on money market rates, a high degree of capital protection and ready availability of funds. The income and profits derived from the Fund's investments will be accumulated within the Fund and will be reflected in the value of the Participating Shares. Investors have a choice of currencies in which to invest with the ability to transfer between currencies by converting into different classes of Participating Shares.

Investment Policy

The Fund will make deposits and invest in short term instruments such as certificates of deposit, bank acceptances, short term treasury bills, floating rate notes, prime quality corporate bonds, and bonds and notes issued by governments and their agencies. Each of the Fund's investments will have a maturity of not more than one year and will be denominated in the currency in which the relevant Participating Shares are designated.

PRINCIPAL FEATURES

Structure
The Fund is an open-ended investment company registered and managed in Guernsey.

Objective
The Fund aims to provide returns for investors based on money market rates. Income and gains will be accumulated within the Fund and reflected in the value of the Participating Shares.

Classes of Participating Shares and currencies
There are six different classes of Participating Shares, one class for each of the currencies listed above. Switching between currencies is available.

Investment policy
The Fund's policy will be to invest in deposits and securities with maturities of twelve months or less.

Subscription and redemption of Participating Shares
Participating Shares may generally be subscribed and redeemed on Thursday in each week.

Share prices and valuations
The subscription price and redemption price for Participating Shares will be based on the value of the net assets of the relevant currency fund.

Income and distributions
Income will be rolled up within each currency fund and will not be distributed by way of dividend.

Charges
Management fees at the rate of ½ per cent. per annum and custodian fees at the rate of ⅛ per cent. per annum of the net asset value of the Fund will be payable. No initial charge will be made on the issue of Participating Shares other than in respect of any rounding adjustment.

Taxation
United Kingdom resident investors will generally have any gain realised on the redemption or sale of Participating Shares taxed as income. Switching between currencies should not give rise to any income tax or capital gains tax charge (see below).

Currency Funds

A separate currency fund will be established for each class of Participating Shares and will be maintained in the currency in which that class of Shares is designated. Each currency fund will be managed separately and independently.

The assets, liabilities, income and expenses allocated to each class of Participating Shares will be applied to the currency fund established for that class. Liabilities of the Fund will generally be allocated to the currency fund to which they relate. If they do not relate to any particular currency fund, they will be allocated between all the currency funds in such manner as the Directors deem to be equitable (for further details see Appendix A).

The Directors have authorised the issue of Participating Shares designated in sterling, US dollars, Japanese yen, deutschemarks, Swiss francs and French francs. However, the Directors may, at their discretion, authorise the issue of Participating Shares designated in other currencies.

Subscription and redemption monies in respect of Participating Shares will be payable in the currency in which the Participating Shares are designated, except for Participating Shares designated in Japanese yen. However, at the request and cost of investors, Lazard Brothers & Co., (Guernsey) Limited will be prepared to convert subscription monies tendered in a different currency into the currency in which the Participating Shares applied for are designated, and to convert redemption proceeds from the currency in which Participating Shares redeemed are designated into a different currency. The subscription and redemption monies in respect of the Japanese yen class of Participating Shares cannot be paid in yen but will be paid in some other currency acceptable to Lazard Brothers Fund Managers (Channel Islands) Limited ("the Manager"). The deposits and securities held for the Japanese yen currency fund will, however, be denominated in yen.

There will be no currency risk within any one currency fund. However, if an investor chooses to invest in Participating Shares designated in a currency other than his own, he will be accepting a currency risk.

Income

The Directors do not intend that dividends will be declared in respect of any class of Participating Shares. All income will be accumulated in the appropriate currency fund and will be reflected in the net asset value of the Participating Shares.

Directors of the Fund

Douglas Haig Bushell FIB (Chairman) (aged 56)
is Managing Director of both Lazard Brothers & Co., (Jersey) Limited and Lazard Brothers & Co., (Guernsey) Limited.

Rupert Arthur Rees Evans (aged 46)
is an Advocate of The Royal Court of Guernsey and a Partner of Ozanne van Leuven & Perrot.

Peter Timothy Hart (aged 33)
is a Director of Lazard Securities (Jersey) Limited, Lazard Brothers Fund Managers (Channel Islands) Limited, Lazard Brothers Sterling Reserve Fund Limited, Lazard Brothers International Income Fund Limited, The Diversified Bond Fund Limited and a number of other investment companies.

Gordon Kirk Johns (aged 36)
is a Manager of Lazard Securities Limited. He is a Director of Lazard Brothers International Income Fund Limited, The Diversified Bond Fund Limited and a number of other investment companies.

Christopher Brunton Melluish (aged 48)
is a Managing Director of Lazard Brothers & Co., Limited and Joint Managing Director of Lazard Securities Limited. He is a Director of Lazard Brothers International Income Fund Limited, The Diversified Bond Fund Limited and a number of other investment companies.

Lucas Hendrick Wurfbain (aged 50)
is Managing Director of Pierson, Heldring & Pierson NV and a Director of Lazard Brothers Sterling Reserve Fund Limited and a number of other investment companies.

Procedure for Subscription

Applications for Participating Shares should be made on the application form *provided at the end of this prospectus. The procedures to be followed and the* minimum investment in any one class of Participating Shares for which applications will be accepted are set out on the application form.

Conversion of Participating Shares

Holders of Participating Shares of a particular class will be entitled to convert some or all of those Shares into Participating Shares of another class. Conversion may normally take place on any Subscription Day. A shareholder who wishes to convert should notify the Manager, complete the conversion notice on the back of his share certificate(s), and forward the certificate(s) to the Manager so as to arrive by 3.00 pm Guernsey time on the business day before the Subscription Day on which the conversion is to be effected. New share certificates will be posted within twenty-eight days after the Subscription Day on which conversion takes place at the converting shareholder's risk provided that the Manager has received the duly completed certificate(s) in respect of the Participating Shares being converted. The implementation of the conversion will normally take place on the Subscription Day following the business day on which a conversion request is notified to the Manager and will not be delayed pending receipt of the old certificate(s) duly completed.

Conversion takes place by reference to the value of Participating Shares of the relevant classes in accordance with the formula set out in Appendix A.

The Manager has been advised by United Kingdom tax counsel that the conversion of Participating Shares of one class into Participating Shares of a different class will not give rise to any charge to United Kingdom income tax or *capital gains tax*.

The right to convert is conditional on there being no suspension of the valuation of the net asset value of the currency fund established for the Participating Shares of the class being converted or into which conversion is to be made, on all relevant foreign exchange markets *being open, and on there being sufficient unissued share capital available to implement the* requested conversion. The Directors will seek to ensure that there is sufficient unissued share capital for this purpose.

Redemption of Participating Shares

Participating Shares of any class may, except where there is a suspension of the valuation of the net assets of the currency fund established for that class (see below), be redeemed on any Subscription Day at the redemption price ruling on that day. The Manager may elect to purchase at a price not less than the redemption price any Participating Shares presented for redemption.

The redemption price for a Participating Share of a particular class on a Subscription Day is determined by assessing the value of the net assets of the currency fund established for that class on the Valuation Day *immediately preceding* that Subscription Day, *deducting* a provision for duties and charges which would be payable on the realisation of all the assets comprised in that currency fund, and dividing the amount so ascertained by the total number of Participating Shares of that class in issue and deemed to be in issue. The resulting figure is adjusted downwards to the nearest whole unit of currency (as defined in the articles of association of the Fund). The amount necessary to effect such downward adjustment is payable to the Manager for its absolute use and benefit.

In order to qualify for redemption on a particular Subscription Day, instructions should be received not later than 3.00 pm Guernsey time on the immediately preceding business day. Requests for redemption received late may be held over until the next Subscription Day. To redeem all or part of his holding of Participating Shares, a shareholder should complete the redemption request form on the *back of the relevant share certificate(s) and send the certificate(s) to the Manager.*

Requests for redemption of Participating Shares of a particular class once made may be withdrawn only in the event of a suspension of the valuation of the net asset value of the currency fund established for Participating Shares of that class.

Any amount payable to a shareholder on the redemption of Participating Shares of a particular class will be paid in the currency in which those Shares are designated, except in the case of yen Shares (see above). However, if an investor wishes to receive redemption proceeds in a different currency, Lazard Brothers & Co., (Guernsey) Limited will be prepared to convert redemption proceeds into a different currency at the request and cost of the investor. Such amounts will be paid by cheque and will be posted to the shareholder (or for amounts in excess of £10,000 or equivalent cabled or telexed to a bank at the shareholder's request and expense) within five business days after the later of the date on which the redemption (or purchase) takes effect and the date of receipt of a duly endorsed certificate for the Participating Shares to be redeemed or purchased.

Lazard Brothers Currency Reserve Fund Limited

The Fund is not bound to redeem on any one Subscription Day more than one quarter of the total number of Participating Shares of any class then in issue or deemed to be in issue.

If at any time after the third anniversary of the date of incorporation of the Fund the aggregate amount of the values of the net assets of each currency fund on each Valuation Day within a period of eight consecutive weeks is less than £2,500,000 or equivalent, the Fund may within eight weeks of the expiry of that eight week period give four weeks notice (expiring on a Subscription Day) to all holders of Participating Shares that it will redeem on that Subscription Day all (but not some) of the Participating Shares not previously redeemed at the redemption prices ruling on that day.

If at any time the net asset value of the currency fund established for any particular class of Participating Shares on each Valuation Day within a period of eight consecutive weeks is less than £250,000 or equivalent, the Fund may within eight weeks of the expiry of that eight week period give four weeks notice expiring on a Subscription Day to all holders of Participating Shares of that class that it will redeem on that Subscription Day all (but not some) of the Participating Shares of that class not previously redeemed at the redemption price ruling on that day. Any such notice given by the Fund will not prejudice the rights of holders of the Participating Shares of the class affected by the notice to convert their shares into Participating Shares of a different class on or before that Subscription Day.

Subscription and Valuation Days

Subscription Days will normally be every Thursday or if that day is not a business day the next following business day or such other day as may from time to time be determined by the Directors. The first Subscription Day after the initial issue of Participating Shares will be 6 December 1984.

After the initial issue of Participating Shares, the net asset value of each currency fund will be valued on each Valuation Day which will normally be the business day immediately preceding the day before each Subscription Day. However, the Directors may suspend valuation of the net assets of any currency fund if, in their opinion, it is not reasonably practicable for the Fund to dispose of investments attributable to that currency fund or fairly to determine the value of net assets of that currency fund, if a breakdown occurs in any of the means normally employed to ascertain such value, or if the remittance of funds which will or may be involved in the realisation of, or in payment for, any investments or in the issue, sale or redemption of Participating Shares cannot be carried out without undue delay or at normal rates of exchange.

Valuations

For the purpose of calculating the net asset value of a currency fund, deposits will be valued at cost plus interest accrued to the relevant Valuation Day. Treasury bills, certificates of deposit and other similar securities will be valued at noon on the relevant Valuation Day in accordance with normal market practice. The value of the assets comprised within a currency fund will be calculated at offer prices for the purposes of calculating the price at which Participating Shares are to be issued and at bid prices for the purposes of calculating the price at which Participating Shares are to be redeemed. Quoted investments will be valued using the bid and offer prices at the official close of the relevant stock exchange on the Valuation Day in question.

Management and Administration

The Manager, Secretary and Registrar
Lazard Brothers Fund Managers (Channel Islands) Limited will manage the business of the Fund. The Manager will also act as secretary and registrar of the Fund.

The Manager is a wholly-owned subsidiary of Lazard Brothers & Co., (Guernsey) Limited ("LBG"), a registered Guernsey bank and a wholly-owned indirect subsidiary of Lazard Brothers & Co., Limited, a major London Accepting House.

Investment Adviser
Lazard Securities (Jersey) Limited ("LSJ") has been appointed investment adviser to the Manager and will provide investment policy guidance and advice. LSJ is a wholly-owned subsidiary of Lazard Brothers & Co., (Jersey) Limited which is a registered Jersey bank and also a wholly-owned indirect subsidiary of Lazard Brothers & Co., Limited.

LSJ manages Lazard Brothers International Income Fund Limited, Lazard Brothers Sterling Reserve Fund Limited, Lazard Brothers International Capital Fund (Cayman) Limited, Lazard Brothers International Asset Fund Limited, Lazard Brothers Far Eastern Fund Limited, Lazard Brothers North American Fund Limited, The Capital Growth Bond Fund Limited, The Diversified Bond Fund Limited, The Japan International Fund Limited and other portfolios, which together have total investments whose value exceeds US$440 million.

Custodian
Lazard Brothers & Co., (Guernsey) Limited will act as custodian of the assets of the Fund. All the assets of the Fund will be held by LBG or to its order. LBG may appoint sub-custodians, nominees and agents to perform its duties or discretions provided that LBG remains liable for any acts or omissions of, or loss directly or indirectly caused by, any such persons. Lazard Brothers & Co., Limited will act as nominee of LBG to hold certain of the Fund's investments to the order of LBG.

The Manager, LSJ and LBG were appointed under the agreements referred to in paragraph 6 of Appendix D.

Charges and Fees

The Manager
In respect of its services as manager, secretary and registrar, the Manager will receive from the Fund a monthly fee of an amount equal to the aggregate of one fifty second part of one half of one per cent. of the values of the net assets of the Fund as at each Valuation Day during the relevant month (as determined for the purpose of calculating the subscription price of Participating Shares).

The Manager will make no initial charge to investors in respect of Participating Shares to be allotted on 3 December 1984. On subsequent issues it may retain for its own benefit the amount necessary to round up the subscription price of each Participating Share to the nearest whole unit of currency (as defined in the Fund's articles of association).

The investment adviser, LSJ, will receive fees which will not be borne by the Fund but will be paid by the Manager.

The Custodian
In respect of its services as custodian, LBG will receive from the Fund a monthly fee of an amount equal to one four hundred and sixteenth part of one per cent. of the values of the net assets of the Fund (calculated as in the case of the Manager's fee) as at each Valuation Day during the relevant month. LBG will meet any expenses or fees of its sub-custodians, nominees and agents, including Lazard Brothers & Co., Limited, out of its remuneration.

Other Expenses
The Fund will be responsible for certain expenses as specified in the management agreement and in the custodian agreement such as audit fees and stamp and other duties and charges incurred on the acquisition or realisation of investments. In addition, the Fund will pay its formation expenses and all expenses in connection with the initial issue of Participating Shares and the obtaining of the listing of all classes of Participating Shares on The Stock Exchange, London. Those expenses will be amortised over a period of five years from the date of the Fund's commencement of business and charged against income. The Manager and LBG will meet all other expenses incurred by them in connection with the provision of their services.

Taxation

It is intended that the Fund will be resident in Guernsey. The Administrator of Income Tax in Guernsey has confirmed that, on the basis of the proposed operations of the Fund as described in this prospectus, the Fund will be eligible for exemption from taxation in Guernsey under the provisions of the Income Tax (Exempted Companies and Trusts) (Guernsey) Ordinance 1984. The Fund will seek such exemption which will be granted on payment of an initial fee of £1,300 and, thereafter, an annual fee of £1,300.

Guernsey does not levy taxes upon capital inheritances, capital gains, gifts or sales. No stamp duty will be levied in Guernsey on the transfer, conversion or redemption of Participating Shares. No Guernsey tax will be withheld in respect of the payment of redemption proceeds.

The investments of the Fund will be made in such a way as to seek to avoid or minimise taxes deductible at source or withheld from any income or capital receipts.

The United Kingdom Finance Act 1984 contains provisions concerning taxation in relation to "offshore funds". The broad effect of those provisions is that, where an investor who is subject to them disposes of an interest in a fund that is affected by them, any gain arising on the disposal will be treated as an "offshore income gain" and will be chargeable to income tax or corporation tax as an income receipt. The new provisions apply to persons who are resident or ordinarily resident in the United Kingdom and to non-United Kingdom resident persons whose interest in an offshore fund is held in connection with a branch or agency carrying on a trade in the United Kingdom. It is considered that the Fund will be an "offshore fund" within the meaning of the relevant provisions in the Finance Act 1984 and that those provisions will apply in relation to the Fund.

Clearance under section 464 of the United Kingdom Income and Corporation Taxes Act 1970 (cancellation of tax advantages from certain transactions in securities) has been given by the United Kingdom Board of Inland Revenue in relation to inter alia:
a. the initial issue of Unclassified Shares in the Fund as Participating Shares pursuant to the offer contained in this prospectus;
b. the subsequent issue and redemption by the Fund of Participating Shares of each class at prices based on the underlying net asset values of the relevant currency funds established for each class of Participating Shares;
c. the issue and redemption of Nominal Shares; and
d. the conversion of Nominal Shares into Participating Shares of any class.

The attention of individuals ordinarily resident in the United Kingdom is drawn to section 478 of the Income and Corporation Taxes Act 1970, as amended, and to section 45 of the Finance Act 1981 which may in certain circumstances render them liable to United Kingdom income tax in respect of undistributed income of the Fund.

The Finance Act 1984 contains provisions concerning the taxation of "controlled foreign companies". Under those provisions companies resident for taxation purposes in the United Kingdom having a sufficient interest, generally ten per cent. or more, in the Fund could in certain circumstances be chargeable to United Kingdom corporation tax in respect of any undistributed income profits of the Fund which may be or may be deemed to be their profits for the purposes of United Kingdom taxation.

The foregoing summaries are based on current law and practice and are subject to changes therein. Investors in any jurisdiction are advised to consult their professional advisers on the possible tax, exchange control and other consequences of buying, holding, converting, selling or redeeming Participating Shares.

Accounts and Reports

The Fund's first accounting period will end on the last Valuation Day in December 1985. Subsequent accounting periods will end on the last Valuation Day in December of each year. Copies of the audited accounts of the Fund for an accounting period will be sent to shareholders at their registered addresses normally during the following February. Shareholders will also be sent half-yearly reports relating to the Fund normally during August in each year.

Publication of Prices of Shares

The quotations for Participating Shares on The Stock Exchange, London will appear in The Stock Exchange Daily Official List. The Manager will also arrange for the Financial Times to publish weekly the prices of the Participating Shares.

Further Information

Further information is contained in the following Appendices:

A Share Capital and Rights
B Auditors' Report
C Articles of Association – Directors
D General Information
E Documents Available for Inspection

Copies of this prospectus, incorporating the application form, may be obtained from:

Lazard Brothers & Co., Limited
21 Moorfields, London EC2P 2HT, United Kingdom

Lazard Brothers & Co., (Guernsey) Limited
16 Glategny Esplanade, St. Peter Port, Guernsey, Channel Islands

Lazard Brothers & Co., (Jersey) Limited
2-6 Church Street, St. Helier, Jersey, Channel Islands

APPENDIX A

Share Capital and Rights
The authorised share capital of the Fund is £200,000, divided into 10,000 Management Shares of £1 each and 19,000,000 Unclassified Shares of 1p each. The Unclassified Shares may be issued as Participating Shares or Nominal Shares. The Participating Shares are divided into classes according to the currency in which they are designated. At the date hereof no Participating or Nominal Shares have been issued. 10,000 Management Shares have been issued for cash at par and those Management Shares are held by the Manager.

Management Shares
The Management Shares have been created principally in order that Participating Shares may be issued. Under the laws of Guernsey the Participating Shares, to be redeemable, have to be preference shares. In order to be preference shares, the Participating Shares must have a preference over some other class of share capital.

The subscription proceeds received on the allotment and issue of Management Shares are credited to a Management Fund in the books of the Fund. Interest or other income received in respect of cash or other assets comprised in the Management Fund is also credited to that fund. The assets and liabilities of the Management Fund are kept separate from the other assets and liabilities of the Fund. An annual fee is payable by the Fund to the holders of the Management Shares in respect of each accounting period of the Fund equal in amount to the income received during that accounting period from the investment of the assets in the Management Fund. The amount of that fee is paid out of the Management Fund. The Directors will establish a Management Reserve Account to which will be credited or debited (as the case requires) any surplus or deficit arising on the realisation of any investments held in the Management Fund. The amount standing to the credit of the Management Reserve Account will only be utilised in the winding up of the Fund.

The Management Shares each carry one vote on a poll but do not carry any right to dividends. In a winding up, they rank pari passu for a return of paid up capital out of the assets of the Fund not comprised within any currency fund (after the return of nominal capital paid up on Participating Shares and Nominal Shares). In addition, any amount remaining in the Management Fund will then be distributed pari passu to holders of Management Shares.

Participating Shares
On or before the allotment of any Participating Share, the Directors will determine the currency in which that Participating Share will be designated. Participating Shares are divided into classes according to the currency in which they are designated. A separate currency fund will be established for each class of Participating Shares. All monies payable on or in respect of a Participating Share (including subscription and redemption monies) are payable in the currency in which that Participating Share is designated (with the exception of yen Participating Shares).

Currency funds will be maintained in accordance with the following provisions:

a. the proceeds from the allotment and issue of a class of Participating Shares will form part of the currency fund established for that class of shares, and on redemption of any Participating Share of that class the assets comprised in that currency fund will be reduced by the amount of the redemption price. The assets and liabilities and income and expenditure attributable to a particular currency fund will generally be kept separate from all other assets and liabilities of the Fund;

b. separate books for each currency fund will be kept in which all transactions relating to that currency fund will be recorded;

c. the proceeds from the conversion of Nominal Shares into Participating Shares of any class, together wherever possible with an amount equivalent to the nominal value thereof, will be applied in the books of the Fund to the currency fund established for that class of Participating Shares;

d. any asset derived from any other asset (whether cash or otherwise) that was comprised in any currency fund will be applied in the books of the Fund to that currency fund and any increase or diminution in the value of such an asset will also be applied to that currency fund;

e. if there are any assets of the Fund (not being subscription proceeds received on the issue of Nominal Shares or comprised in the Management Fund or the Management Reserve Account) which the Directors do not consider readily attributable to a particular currency fund or currency funds, the Directors will allocate those assets to and among any one or more of the currency funds in such manner and on such basis as they in their discretion deem fair and equitable;

f. if there are any liabilities, expenses, costs, charges or reserves of the Fund that are not readily attributable to any particular currency fund or currency funds, they may be allocated and charged by the Directors to and among any one or more of the currency funds in such manner and on such basis as the Directors in their discretion deem fair and equitable;

g. if as a result of a creditor proceeding against certain of the assets of the Fund or for any other reason a liability, expense, cost, charge or reserve is borne in a different manner from that in which it would have been borne applying the provisions of the preceding paragraphs, the Directors may transfer assets to and from any currency fund with a view to achieving the position had the principles in those paragraphs been applicable;

h. where the assets of the Fund attributable to the Nominal Shares give rise to any net profits, the Directors may allocate assets representing those net profits to any currency fund or currency funds as they deem appropriate.

The Participating Shares carry a right to dividends declared by the Fund in general meeting or resolved to be paid by the Directors. Each holder of Participating Shares will be entitled, on a poll, to one vote for each Participating Share held.

In a winding up, each Participating Share carries the right to a return of the nominal capital paid up in respect of such Share in priority to the repayment of the nominal amounts paid up on Nominal and Management Shares. Those sums are payable primarily out of the assets comprised in the currency fund established for the class of Participating Shares concerned. If there are insufficient assets in that currency fund recourse will be had first to any assets not comprised within any currency fund and secondly to the assets remaining in the currency funds established for the other classes of Participating Shares (after return to the holders of those Participating Shares of the nominal capital paid up on those Participating Shares) pro rata to the values of the assets remaining in each of those other currency funds.

After the return of the nominal capital paid up on all the Participating Shares, any balance remaining in a currency fund will be distributed to the holders of Participating Shares of the relevant class, that distribution being made in each case in proportion to the number of Participating Shares of the relevant class held by each holder.

All Participating Shares not previously redeemed will be redeemed by the Fund on the first Subscription Day in 2064 at the redemption price ruling on that day.

Further Issues of Participating Shares
The articles of association provide that, after the initial issue of Participating Shares and except when there is a suspension of the valuation of the net assets of a currency fund established for a particular class of Participating Shares (when Shares of that class may not be issued), further Participating Shares of each class may be issued on each Subscription Day at a price per Participating Share of not less than that determined by assessing the value of the net assets of the currency fund established for the relevant class on the Valuation Day immediately preceding a Subscription Day, adding thereto the sum the Directors consider represents the appropriate provision for the duties and charges payable on a deemed acquisition of all the assets comprised in the currency fund established for that class of Participating Shares, and dividing that amount by the total number of Participating Shares of the relevant class in issue and deemed to be in issue. The price per Participating Share so calculated may then be increased by a Manager's fee of an amount not exceeding five per cent. of such price plus the amount necessary to round up the resulting sum to the nearest whole unit of currency (as defined in the Fund's articles of association).

Nominal Shares
The Nominal Shares can only be issued at par and only for the purpose of providing funds for the repayment of the nominal value of Participating Shares redeemed. They will be issued only to the Manager. Each holder of Nominal Shares is entitled, on a poll, to one vote in respect of all the Nominal Shares held by him. The Nominal Shares carry no right to dividends.

In a winding up, the Nominal Shares carry the right to repayment of paid up nominal capital out of assets of the Fund not comprised in any currency fund after repayment of the nominal capital paid up on all Participating Shares but in priority to repayment of the nominal capital paid up on the Management Shares. After the return of the nominal capital paid up on Management Shares, any surplus assets not comprised in any currency fund or in the Management Fund will be distributed to holders of the Nominal Shares pari passu.

Variation of Rights
The rights attached to any class of shares may, subject to the laws of Guernsey, or unless otherwise provided by the terms of issue of the shares of that class, be varied or abrogated with the consent in writing of the holders of not less than three quarters of the issued shares of that class or with the sanction of a resolution passed at a separate meeting of the holders of the shares of that class by a majority of three quarters of the votes cast at that meeting. For these purposes, the Directors may treat all the classes of Participating Shares as forming one class if they consider that all such classes would be affected in the same way by the proposals under consideration and that there would be no conflict between them but in every other case each class of Participating Shares shall be treated as a separate class. The rights attached to each class of Participating Shares are deemed to be varied by the creation or issue of any shares (other than Participating Shares of any class) ranking pari passu with or in priority to them as respects participation in the profits of the Fund. Subject to the above, the rights conferred on the holders of any shares issued with preferred or other rights will not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking pari passu with them.

Conversions
A holder of Participating Shares of any class (the "old class") has the right to convert all or any of those Shares into Participating Shares of another class (the "new class") on any Subscription Day except when there is a suspension of the determination of the net asset value of the currency fund attributable to Participating Shares of the old class or Participating Shares of the new class.

The Directors will determine the number of Participating Shares of the new class to be allotted upon any conversion in accordance with the following formula:

$$S = \frac{R \times RP \times CF}{SP}$$

Where:

S is the number of Participating Shares of the new class to be issued; and

R is the number of Participating Shares of the old class to be converted; and

RP is the redemption price of Participating Shares of the old class calculated on the Valuation Day immediately preceding the Subscription Day on which the conversion is to be effected; and

CF is the applicable currency conversion factor determined by the Directors as being the rate of exchange between the currency in which Participating Shares of the old class are designated and the currency in which Participating Shares of the new class are designated; and

SP is the subscription price for Participating Shares of the new class as calculated on the Valuation Day immediately preceding the Subscription Day on which the conversion is to be effected together with any initial charge of the Manager.

Fractions of Participating Shares may be issued to satisfy any fractional entitlements on conversion arising out of the application of the above formula.

APPENDIX B

Auditors' Report
The following is the text of a report, addressed to the Directors of the Fund by Coopers & Lybrand in Guernsey.

Abacus Chambers, Smith Street,
St. Peter Port, Guernsey,
Channel Islands

The Directors
Lazard Brothers Currency Reserve Fund Limited

20 November 1984

Dear Sirs,

Lazard Brothers Currency Reserve Fund Limited was registered under the laws of Guernsey on 15 November 1984. As at the date of this report, it has not traded and no accounts have been prepared and no dividends paid.

Yours faithfully,

Coopers & Lybrand
Chartered Accountants

APPENDIX C

The Articles of Association – Directors
The articles of association contain the following provisions (inter alia) relating to Directors:

1 A Director may act in a professional capacity for the Fund (other than as Auditor) and may receive remuneration for such professional services. A Director may also hold any other office or place of profit with the Fund (other than the office of Auditor) and may be a director, officer or member of any company in which the Fund may be interested.

2 A Director may contract with the Fund and no contract or arrangement made by the Fund in which any Director is in any way interested shall be liable to be avoided, but the nature of his interest must be declared at a meeting of the Directors.

3 A Director may not normally vote in respect of any contract in which he is materially interested.

4 Each Director is entitled to be paid up to £2,500 per annum for his services or such increased remuneration as may be resolved from time to time by the Fund in general meeting. The Directors may also be reimbursed for expenses incurred in connection with the business of the Fund and may receive remuneration for special services.

5 The Directors may exercise the powers of the Fund to borrow subject to the limitations referred to in paragraph 12 of Appendix D.

6 There is no share qualification for Directors.

7 There is no age limit for Directors.

8 A Director may be removed at any time by ordinary resolution of the Fund in general meeting.

APPENDIX D

General Information

1 The constitution of the Fund is defined in its memorandum and articles of association. Its registered office is at 16 Glategny Esplanade, St. Peter Port, Guernsey, Channel Islands.

2 The expenses incurred in the formation of the Fund are estimated to amount to £2,500 which will be paid by the Fund. The expenses incurred in connection with the initial issue of Participating Shares and obtaining the listing of all classes of Participating Shares on The Stock Exchange, London (including the fees of legal, accountancy and financial advisers, printing and advertising costs and The Stock Exchange listing fee) are estimated to amount to £138,050. All of these expenses will be paid by the Fund and will be amortised over a period of five years from the date of the Fund's commencement of business and charged against income.

3 The Fund is not engaged in any litigation or arbitration and no litigation or claim is known to the Directors to be pending or threatened against the Fund.

4 The Manager may at its discretion pay commissions out of its management fee to persons in respect of subscriptions for Participating Shares made or procured by such persons.

It is currently being proposed that Lazard Brothers Sterling Reserve Fund Limited (the "Reserve Fund") be wound up early in 1985. The Manager will make a payment to holders of shares in the Reserve Fund who acquire Participating Shares before, during or, at the discretion of the Manager, immediately following that winding up provided that those Participating Shares are held for at least twelve calendar months from the date of their acquisition. That payment will be made to qualifying holders of Participating Shares shortly after the expiration of that twelve month period. The amount of that payment will be equal to, broadly, one half of the management fee that is attributable to those Participating Shares and is paid by the Fund to the Manager in respect of that twelve month period.

5 There are no existing or proposed service contracts between any of the Directors and the Fund, but the Directors may receive remuneration as provided in the articles of association (see Appendix C). It is estimated that such remuneration in aggregate will not exceed £10,000 in the Fund's first accounting period.

6 The following contracts, which are or may be material, have been entered into otherwise than in the ordinary course of business:

a. a management agreement between (1) the Fund and (2) the Manager dated 20 November 1984, whereby the Manager has agreed to manage the business of the Fund and act as secretary and registrar of the Fund;

b. a custodian agreement between (1) the Fund and (2) LBG dated 20 November 1984, whereby LBG has agreed to act as custodian of the assets of the Fund; and

c. an investment advisory agreement between (1) the Fund, (2) the Manager and (3) LSJ dated 20 November 1984, whereby LSJ has agreed to provide investment advice to the Manager.

7 The Fund has not commenced business and has not established and does not intend to establish a place of business in Great Britain. The Fund does not have any subsidiaries.

8 The minimum amount which in the opinion of the Directors must be raised by the initial issue of Participating Shares in order to provide for the matters referred to in paragraph 4 of the Fourth Schedule to the Companies Act 1948 (Great Britain) is £1,000,000 or equivalent to be applied as follows:

a. purchase price of property, nil;

b. preliminary expenses (including expenses in connection with the initial issue), to the extent incurred and payable by the Fund, £140,550;

c. repayment of monies borrowed by the Fund for preliminary expenses, nil;

d. working capital, £859,450.

BIDS AND DEALS

£17m industrial disposals by CJR

BY RAY MAUGHAN

Charterhouse J. Rothschild has sold nine industrial subsidiaries to Paragon Group, a company formed by Mr Michael Morley, the main CJR director responsible for its industrial division. The basic consideration is £16.75m, which will be made up of £15.25m in cash and £1.5m of 10 per cent three-year loan notes.

CJR is now engaged primarily in the financial services sectors on both sides of the Atlantic and has been accelerating a programme of industrial asset disposals. The industrial portfolio is the inheritance from the Charterhouse Group side of the CJR merger, and its dismemberment began in May this year with the sale of the Charcon concrete blocks business to English China Clays for £17.4m.

Since then, CJR has sold Kartret Switchgear, Newage Engineers, and Charcon Tunnels. Together with the disposal of the nine subsidiaries to Paragon, CJR's capital employed in industrial activities has been reduced from £74m at the beginning of the year to £26m currently.

£180,000 compensation payment

Charterhouse J. Rothschild has agreed a £180,000 compensation payment to Mr Kenneth Thompson, its former finance director, who left the group in September in a series of top management changes which brought in Mr David Montagu as chief executive.

The payment, which includes pension funding, requires shareholders' approval. The board says that "the amount of this proposed payment is appropriate having regard to the terms of Mr Thompson's service contract and to his services both to the CJR group and previously to the Charterhouse Group."

The compensation will be on the agenda at an extraordinary meeting on December 10, as will the proposed introduction of a new executive option scheme.

The latest disposals also frees CJR from the responsibility for the net external debt of £11.8m that Paragon will be assuming on completion. Net worth of the assets attributable to Paragon were £17.9m at the last accounts, mostly on a calendar year end, although CJR is warranting asset values ranging between £19.75m and £20.55m on completion. Any shortfall or excess will be made up by either side.

Mr Morley and his colleagues, Mr Roger Elmhirst and Mr John Binner, will hold 10 per cent of Paragon on completion which, depending on redemptions, would rise to a maximum of 20 per cent by the end of 1990.

Paragon is taking eight wholly owned subsidiaries and the 53.3 per cent holding in the successful Colorill wallpaper and textiles group. The company has a commitment to float Colorill Holdings, which has 90 per cent of the operating company, within the next three years.

Paragon's stake comes down by 8.3 per cent immediately after completion when CIN Financial Resources (a subsidiary of the National Coal Board Pension Funds) and Investors in Industry, two of the existing shareholders in Colorill, exercise their pre-emption rights.

The pre-emption exercise values Colorill Holdings at £19m and, on that basis, Paragon will sell back to CJR a proportion of the residual 44.99 per cent holding on flotation.

Paragon is being backed by Citicorp Capital Investors, CIN Industrial Investments, The Foreign and Colonial Investment Trust, Electra Investment Trust, and Globe Investment Trust. Its issued capital will be £7m and part of the outstanding consideration will be provided by a £6m medium term loan from Nordic Bank.

The eight wholly-owned subsidiaries to be acquired are engaged in either hydraulic or the tools hire and distribution sectors. Their track record over the past five years has been patchy with profits in 1979 of just over £3m being replaced last year with a loss of £575,000. Including Colorill, the attributable pre-tax profit record looks better with a surplus last year of £413,000. Attributable profits in the first half of 1984 have climbed from just £4,000 to £1.95m with Colorill contributing £600,000.

Hazlewood to buy Knights Food group for up to £13.4m

BY CHARLES BATCHELOR

Hazlewood Foods, the pickles and sauces group, is to acquire Knight European Food Group, a privately-owned importer, manufacturer and distributor of delicatessen and salad products, patés and pizzas, in a shares and cash deal worth up to £13.4m.

At the same time Hazlewoods announced a doubling of pre-tax profits to £2.13m in the six months ended September 30 on turnover which rose 44 per cent to £26m. Earnings per share rose 52 per cent to 20.7p from 13.6p while the net interim dividend will be increased to 5.5p from 4.75p.

The company's shares rose 50p to 870p yesterday, a new 1984 high.

The Knights' purchase is the second major acquisition by Hazlewood in the current financial year and comes just five months after it agreed to pay an initial £8.35m for F. H. Lee, a manufacturer of soft tissue paper products.

Knights made a profit before tax and directors' remuneration of £1.16m in the year ended September 30 1984 on turnover of £26m. Assets at the year end were £1.69m. This compares with a profit of £110,000 on turnover of £6.8m in the year ended September 1980.

The company's existing management will remain and Mr John Knights, chairman and founder, and Mr David Applegard, managing director, have agreed to take up five-year service contracts with Hazlewood.

Mr Dennis Jones, finance director of Hazlewood, said: "Knights is a logical fit with Crispa Produce, a grower of salad products which we acquired earlier this year (for £2.1m). This gives us a fairly substantial involvement in the fresh, chilled sector of the grocery trade."

Payment for Knights will be made in the form of the allotment of enough new shares to raise £1.25m after expenses and of a further 681,000 shares, to be retained by the vendors until December 1985 and worth £5.62m at Hazlewood's middle market quotation on November 19. These shares will amount to 7 per cent of the enlarged equity of Hazlewood.

In addition Hazlewood will pay 2½ times pre-tax profits if these exceed £497,500 in the six months ending March 31 1985; £995,000 in each of the two years ending March 1986 and 1987; and £497,500 in the six months ending September 30 1987. The maximum profits related payment is £6.5m.

● **comment**

Knock around £800,000 off Hazlewood's pre-tax profits for first-time contributions from new acquisitions, and underlying growth comes out at 25 per cent, enough to push the shares up 50p to 870p. Volume gains and cost savings have pushed trading margins up by 2½ points to 10.5 per cent. The Knights chilled food acquisition dovetails neatly with the Crispa and Kanes salad businesses, enlarging the group's presence in one of the few growth areas left in the food industry. The "earn-out" formula and service contracts contained in the deal will lock in Knights' directors for five years, minimising the strain on the bidder's central management. Having splashed out £20m on five acquisitions so far this year, Hazlewood will now want to be less active on the takeover trail while it develops its enlarged empire. Knights will not contribute much this time, but a group pre-tax total of £5.7m looks in reach for the year. This puts the shares on a prospective multiples of 17, a justified seven-point premium to the sector.

H. Young plans to acquire Lloyd's broker

H. Young Holdings is selling the Mercedes-Benz dealership which was its major business until August, when it acquired an industrial and domestic gas supplier. Young plans to expand into financial services by acquiring a Lloyd's insurance broker.

Puttocks, the Surrey motor dealership, will be sold to its managing director, Mr Michael Brown, and associates for £350,000 in cash, and will also remain liable for its £384,000 debt.

Ladymead Investments, in which two Young directors are involved, is buying the property used as Puttock's workshop for £385,000 in cash, and will also assume £175,000 of debt.

The sales will boost Young's liquidity by £1.29m and produce a profit over book value of £212,000.

Young is acquiring 75 per cent of a Lloyd's insurance broker, Carrell Radford Holder, for £306,000 plus a maximum of £39,000 depending on profits. Mr Raymond Holder, CRH managing director, will keep his position and a 25 per cent holding.

Young acquired Readygas, a supplier of gases from British Car Auctions. Its move into financial services was begun with the recent purchase of Burlington Investments, a lease broker.

Irish bank venture capital deal

Bank of Ireland is taking a 20 per cent stake in Development Capital Corporation (DCC), which is considered to be Ireland's leading venture capital company with investments in excess of I£12m (£10m).

The deal will make the Bank of Ireland the single largest shareholder in DCC. The bank said the investment would form the major part of its overall venture capital strategy and make a significant contribution to the further development of the venture capital industry.

Other shareholders in DCC include many of the major institutional investors and pension funds in Ireland. Although described as a venture capital company, many of DCC's investments are in well-established and successful firms. But it has made a significant contribution in helping companies establish themselves or expand.

In a related deal, DCC has offered to acquire the entire issued share capital of Share and Loan Trust, which is 77 per cent owned by the Investment Bank of Ireland, a subsidiary of the main bank.

Fraser may oust Lonrho men

THE BOARD of House of Fraser, the Harrodsstores group, is meeting today and is expected to discuss the possible removal of Lord Duncan-Sandys, chairman of Lonrho, and Mr Rowland "Tiny" Rowland, Lonrho's chief executive, from the Fraser board.

An executive committee of the board, led by professor Roland Smith, group chairman, has been studying posible ways to secure the removal of the two Lonrho representatives following Lonrho's recent sale of a 29.9 per cent shareholding to the Al-Fayed family for £138.3m. Lonrho has since acquired another stake in Fraser which stands at around 4 per cent.

Mr Rowland has indicated that he had no intention of resigning and intended to stay on the board to see that nothing interfered with Lonrho's proposals for a possible demerger of Harrods.

Fraser's executive committee, which does not include the Lonrho representatives, has been studying ways in which the Lonrho directors could be persuaded to leave the board without a further public row. But it has considered calling an extraordinary general meeting to remove the two men, instead of waiting until the annual general meeting later next year when shareholders would be asked to vote thetwo off the board.

The Al-Fayed family have indicated that they will support the board "if necessary" to remove the Lonrho directors.

* * *

Good Relations Group, public relations consultancy, has acquired Paul Winner Marketing Communications for a total consideration of £810,000. Of the purchase price 90 per cent (£729,000) is payable in shares. Pre-tax profits of Paul Winner for the year ending December 31 1984 have been warranted at £132,000.

* * *

G. M. Firth, a holding company headed by Mr Ian Wasserman, has added to its stake in East Lancashire Paper Group and built up a 5.4 per cent holding in Wolstenholme Rink, a metal powder maker and printing chemicals merchant.

Firth now holds 10.2 per cent of East Lancashire, the target of a hostile bid from British Syphon Industries. It had built up a 9.2 per cent holding earlier this month.

St. Paul's still undecided

A COMPANY formed by Mr John Fletcher, former managing director of Asda stores, said yesterday that it was still considering whether to make an offer for the Cullen's Stores group, which has agreed to a £6.6m bid from three former Imperial Group executives.

Cullen's share prices remain well above the agreed offer prices and those paid by Mr Fletcher's company, St Paul's Stores, last Friday after the agreement was announced.

St Paul's said yesterday that it had paid 395p each for voting shares in increasing its stake to 10 per cent, and 285p each for "A" shares, raising its holding of that category to 20 per cent.

The agreed bid, from a consortium led by Mr Peter Matthews, is at 375p and 275p respectively and yesterday's closing prices were 435p and 330p.

The Matthews team has irrevocable acceptances covering 21.4 per cent of the voting equity.

APPOINTMENTS

Management changes at Lloyds Bank

The business of LLOYDS BANK INTERNATIONAL is to be merged with that of LLOYDS BANK. This will involve a progressive reorganisation of the top management structure of the Lloyds Bank Group to draw together the operations of the two banks. The merger will not be effective until January 1986, subject to the necessary Act of Parliament. Nineteen eighty-five will be a year of transition. Mr E. Y. Whittle, who as chief executive of Lloyds Bank International is responsible for the overseas banking operations of the Lloyds Bank Group, will take on additional duties as a deputy group chief executive, including responsibility for The National Bank of New Zealand, from January 1 1985. Mr F. W. Crawley, who as chief general manager of Lloyds Bank is responsible for the UK banking operations of the Lloyds Bank Group, will take on additional duties as a deputy group chief executive, including responsibility for Lloyds and Scottish, from January 1. Mr. M. H. R. Thompson, who is deputy chief general manager of Lloyds Bank, will take on additional duties as assistant group chief executive from January 1. His responsibilities will include the personnel, premises, computer and other information technology resources of the Group. Mr M. R. Luthert, senior director of Lloyds Bank International, will become, from January 1, a senior general manager, Lloyds Bank, responsible for a group risk management division which is being formed from existing elements of Lloyds Bank and Lloyds Bank International.

★

A. T. KEARNEY has appointed three new directors. They are Mr Tom Bevington, responsible for consulting services on information technology and overhead effectiveness, Mr Christopher Clarke, responsible for strategy and marketing services, and Mr David Harland, responsible for services to the food industry.

★

The director general of the NATIONAL ECONOMIC DEVELOPMENT OFFICE has appointed Mr David Stevens, chairman and managing director of the investment division of Samuel Montagu and chairman of United Newspapers, to be chairman of the civil engineering economic development committee for the two years to October 1986. He succeeds Mr Gordon Brunton who has retired.

Mr P. J. W. Taplin, has been appointed chief executive of UBAF BANK, from February 1, in succession to Mr Charles Burkin who will be retiring. Mr Taplin is an assistant general manager in the international division of Midland Bank. Mr Mohammed Fezzani, currently general manager of the bank, have been appointed deputy chief executive and general manager from the same date.

★

LAMBERT HOWARTH GROUP has appointed Mr Martin Jourdan as non-executive chairman in succession to Mr Phil Jacobs who continues as a non-executive director.

★

AUSTRALIA AND NEW ZEALAND BANKING GROUP has appointed Mr Peter Weaving, formerly chief manager — corporate finance, as chief manager —capital markets group.

★

Mr Phil Robinson has been appointed managing director of UNDERWATER SURVEYS, a member of the Noble Denton group, offering subsea inspection/consultancy services.

★

MOTHERWELL BRIDGE GROUP has appointed Mr John W. Ellis to the board of Motherwell Bridge Engineering as director of group sales. Mr Neil Dougan has been appointed director and general manager construction, and be responsible for the worldwide operation of Motherwell Bridge Constructors.

★

Following the acquisition of CC SOFT DRINKS by the Coca-Cola Company, Atlanta, Mr Harry E. Teasley Jnr has been appointed managing director, CC Soft Drinks. He was vice-president of the Coca-Cola Company, Atlanta, and president of the Wine Spectrum, a subsidiary of Coca-Cola. Mr Chris Bucknall becomes vice-president and director of production and distribution, CC Soft Drinks. He was production director. Mr Kevin Doherty has been made vice-president, director of planning and marketing.

Mr Lionel Cork has been appointed executive vice-president and operations director. He was manager of the Coca-Cola Bottling Company, Durban, South Africa. Mr Jim Honkisz has joined CC Soft Drinks as legal counsel. He comes from the Coca-Cola Company, Atlanta. Ms Janet Gunn becomes director of personnel. Mr Tony Clift has joined as vice-president and Finance director. He was chief financial officer of the Coca-Cola Bottling Company of Puerto Rico Inc.

★

DEREK CROUCH, Peterborough, has appointed Mr Dan Burnyeat to the group board. He is managing director of Derek Crouch Construction Co.

UK COMPANY NEWS

Whitbread still sees beer as its mainstay

WITH THE bulk of Whitbread and Company's operating profit coming from beer operations in the half year to September 1 1984, Mr Tony Simonds-Gooding, managing director, made it clear that the driving force behind the division's results had been cost reductions and greater efficiency, and said that "this was likely to be the key in years to come against the background of a dull market."

Beer contributed £38.1m to total operating profit at £77.6m, with the group's other activities, wines and spirits and retailing, adding £7.9m and £25.1m respectively. At the pre-tax level profits rose by 15.2 per cent from £50m to £57.6m.

The group currently puts its share of the beer market at between 12.5 and 13 per cent. Over the half year, volume for the industry as a whole dropped by some 1.5 per cent, and the company says that its performance was slightly worse than that.

The fall in market share was essentially for two reasons, says Mr Sam Whitbread, the chairman. These were the non-availability for several weeks of Gold Label Barley Wine, and the group's unwillingness to trade with inadequate margins in the take-home sector. By the end of the year the chairman expects that volumes will be back in line with industry figures.

Commenting on the "good results," the chairman pointed to the new management organisation and the measures taken to cut costs. "We have pursued our development programme broadening from our traditional beer business and expanding our international wines and spirits interests, while continuing the major drive into retailing, food and leisure."

He adds that the "significant gains" in retailing and "encouraging growth" in catering and food sales meant the creation of over 1,000 jobs in this area of the business in the period under review. The group is investing at the rate of £1m a week in the retail outlets.

Group turnover rose by nearly 17 per cent from £580.6m to £678.3m, with retailing providing the lion's share at £282.2m. Beer added £274.5m and wines and spirits £209.5m.

As regards the full year outcome, Mr Whitbread is confident that the well established lines of development — essentially retailing and wines and spirits—along with an increasingly efficicient beer business, will yield a satisfactory result.

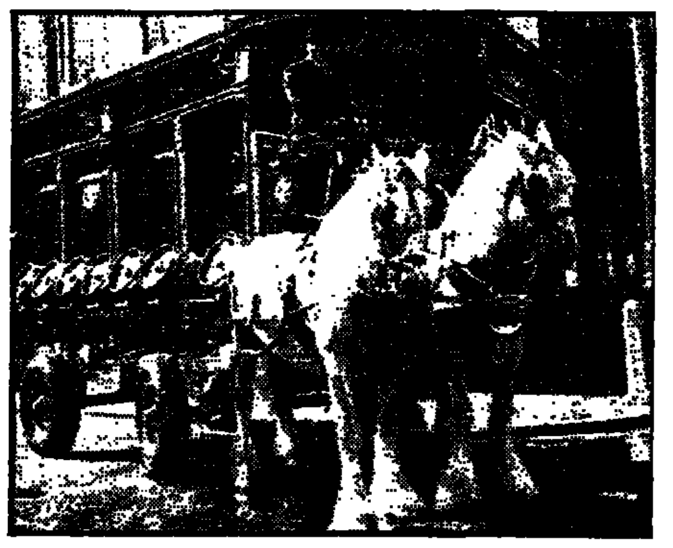
The miners' strike has in some outlets halved trade, although in others there has been no effect at all, and is not a "significant factor."

The interim dividend is lifted from 1.85p to 2.05p net per share. In the last full year to March 3, the company turned in taxable profits of £95.1m on turnover at £1.19bn, and paid a total dividend of 6.25p.

Trading profit for the period was up from £55.4m to £67.1m to which related companies added a further £4.4m (£3.6m). Net interest took £13.9m (£9m).

After tax at £14.7m against £10.5m net profits emerged at £42.9m (£39.5m). Minorities deducted £0.2m (added the same), and there was an extraordinary debit of £12m (credit £2.6m). This includes an amount of £16.2m in relation to the closure of the Luton Brewery. The group has still not sold the 22 acre Luton site. Mr Simonds-Gooding says that the closure was the biggest cost saving factor in the period, and is likely to produce full year savings of some £5m.

The group now has a total of eight breweries, having closed six over recent years, but Mr Simonds-Gooding says that there are no plans for any further closures — "our capacity is fairly tight at present."


Whitbread's shires and dray . . . the company remains committed to its traditional beer operations despite a fall in volume sales

Prices increases in August and September added around 3p a pint to the group's lagers and beers, and the managing director said they would be looking for further posible increases next autumn.

"Just how much these will be will have to depend on inflation, the chancellor, our competitors, and what we manage to do with further cost savings," he added.

Attributable profits were down from £42.3m to £30.7m, from which dividends will account for £8.1m (£7.3m).

Earnings are stated at 11.04p (10.33p) basic per share, and 10.84p (10.13p) fully diluted.

See Lex

British Assets raising £60m

By Alison Hogan

British Assets Trust, the investment trust, is offering shares and warrants to its shareholders which, when completed, will have the effect of reducing its holding of common shares of GBC Capital, its Canadian-based subsidiary, from 67.5 per cent to 54.3 per cent.

A UK quotation for GBC's shares and warrants is also being planned.

The investment policy of British Assets is to secure long-term income growth.

It should raise £59.3m from the issue which will be invested in higher yielding securities than GBC, a high capital growth trust with a yield of 1.2 per cent gross.

British Assets is offering 9,594,485 units of GBC, each unit consisting of one common share and one warrant which carries the right to subscribe for a common share of GBC at any time up to September 1 1990 at C$1.78 (107p).

The offer, which comprises 13.2 per cent of the issued common shares and 65.9 per cent of the warrants to be issued, has been underpinned by an undertaking of certain institutional shareholders of British Assets to take up their entitlement and to submit excess applications for the balance, if not taken up by other shareholders.

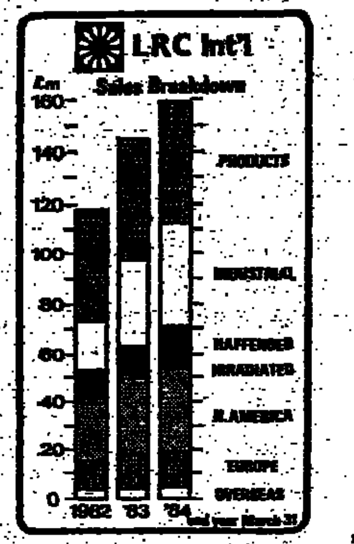
The offer price of 99p per unit is based on the common shares of GBC valued at a 30 per cent discount to net asset value as at November 12 1984 plus a warrant valued at 15p to represent its approximate market value under present market conditions. The shares closed yesterday up 2p at 182p.

The offer is open for acceptance up to 3.00 pm on December 13 1984.

LRC advances 12% to £7.9m with record U.S. results

LRC International pushed first half taxable profits up by 12 per cent from £7.03m to £7.88m, reflecting, the directors state, a pattern of underlying growth.

The result was achieved on turnover ahead by £7.92m at £88.09m and was struck after a virtually unchanged net interest charge of £1.13m against £1.16m.



LRC has interests in health care, household and industrial products and services, and photoprocessing. The company's brand names include Marigold, Eucryl, Galloway's and Durex.

The interim dividend is being lifted from 1.15p to 1.3p on the capital enlarged by last month's one-for-four rights issue. Stated earnings per share, unadjusted for the rights, rose by 8 per cent from 4.39p to 4.75p.

Record profits were achieved in North America with a particularly "strong performance" from Cook/Bates. Led by continued growth of the photoprocessing company, especially in Europe, the industrial holdings division continued to advance.

LRC Products, the directors say, maintained its share of market against competitive pressure, and results were satisfactory, despite unfavourable Malaysian ringgit exchange rates, high latex costs and increased investment in consumer products advertising and promotion.

Elsewhere, "excellent" trading results from Italy and Norway contributed to a good performance by the new international division.

The results do not include any contribution from Royal Worcester Spode, which was acquired last month from Crystalate Holdings.

● comment

These good results from LRC were in line with market expectations and the shares were unchanged at 101p. There is no breakdown of the figures at halfway but the statement indicates progress across the board, particularly in North America where the rationalisation of Cook/Bates and the introduction of new manicure products is paying off. The good summer helped boost the photoprocessing division, where volume gains and further acquisitions have consolidated its market position. Over in the UK consumer products division life has been somewhat hectic with new competition threatening the company's traditional condom market, its house glove business and surgical gloves. It seems they are all holding their own. There seens to be no reason why the current momentum should not continue, especially if the defensive promotional expendtiure on products like Marigold gloves starts to pay off. The second half will also see a first-time contribution from Royal Worcester Spode of about £2m. The market still has some doubts about the logic of the acquisition but the company insists there is marketing synergy to capitalise on. Pitching at £19.5m pre-tax for the year the prospective p/e of under 10 looks undemanding.

United Newspapers

A capital reorganisation is proposed by United Newspapers. This entails repaying and cancelling the 1.99m 4.2 per cent preference £1 shares at 83p cash plus the accrued dividend.

The directors feel that the preference shares no longer constitute an appropriate manner of finance for the company, as its nature has changed significantly since the shares were issued. Also, in view of the small proportion of total capital employed which the shares represent, they consider that certain of the special rights of the shareholders are no longer justified.

When the cancellation has become effective the directors will ask shareholders for an increase in borrowing powers. This will enable them to fund the activities in the "most beneficial and cost effective manner."

Particularly, the company will have an enhanced ability to mitigate any foreign currency exposure that may arise on its U.S. activities, for example through back-to-back arrangements.

Certain institutions which have substantial holdings of the shares have indicated their support for the proposals.

The proposals involve a reduction of capital and will be subject to ordinary and preference shareholders' approval in extraordinary meeting, the separate agreement of the preference holders, and the sanction of the court.

MK Electric edges higher on UK upturn

AN UPTURN in business conditions in the UK in the second quarter has helped the MK Electric Group push up sales from £56.9m to £62m and profits before tax from £7.6m to £8.2m in the six months ended September 29 1984. The rate of increase, however, is well down on recent years.

The first quarter suffered a general slackening in demand for the group's products at home, the directors recall. The improved conditions are being sustained during the current half, while overseas activity is continuing to make an increased contribution to profit.

The directors say the resilience of the group's performance also reflects the broadening of the range of activities during recent years, the introduction of new products, and the enhancements to product ranges.

In pursuing growth through the continual introduction of new ranges—the British Telecom line jack telephone outlet range (comprising 32 products), the Combination Unit range (80 products) and Slimline Galaxy, a new range of three-phase circuit protection products.

Capital expenditure has been maintained at a high level, including the factory extension with modernised production capacity for plastic conduit and trunking, and continuing investment in techniques such as computer aided design. Revenue expenditure on development of new products and markets has further increased. The liquid position remains strong.

Trading profit in the half year came to £8m (£7.4m) and associates contributed £49,000 (£21,000). After tax of £3.6m (£2.4m) earnings are stated at 12.5p (14.1p) per share and the interim dividend is lifted to 3.4p (3.2p). For the whole of 1983-84 the group paid a total of 9.4p from a pre-tax profit 32 per cent higher at £17.6m.

The higher tax rate, including provision for deferred, results from the transitionary impact of the changes in the Finance Act 1984. When the transition is complete, the group will benefit from the lower rate of corporation tax.

● comment

MK Electric's pre-tax profits were right up to City expectations but the higher tax charge — up from 32 per cent to 44 per cent—came as a rather unpleasant surprise so the shares slipped 5p to 313p. The share has been a dull performer in recent months, reflecting market concern about the company's dependence on the housing cycle rather than any doubt about MK's intrinsic qualities. The group is trying to broaden the base of its business, notably by expanding into security-related products, but this is a slow process which will only have a modest effect in mitigating the impact of any down-turn in the main activities. Meanwhile, the substantial U.S. acquisition, mooted since the 1982 rights issue, is as elusive as ever. The group's efforts in this direction may gain some impetus from the arrival in September of the new chief executive, Mr Roger Leverton, from Black and Decker. For the current year the group should make £20m pre-tax putting the shares on a p/e of about 10. A solid investment with little excitement to offer in the immediate future.

Yearling bonds total £11m

Yearling bonds totalling £11.4m at 9⅞ per cent, redeemable on November 27 1985 have been issued by the following local authorities. East Lindsay District Council £0.5m; Wansbeck DC £0.25m; Wycombe DC £1.0m; Bury Metropolitan Borough Council £1.0m; Lothian Regional Council £1.0m; Mole Valley DC £0.25m; Birmingham (City of) DC £1.0m; Hounslow (London Borough of) £1.0m; Kilmarnock and Loudoun DC £0.5m; Congleton Borough Council £0.4m; Northavon ADC £0.25m; Rother DC £0.25m; Bur DC £0.5m; Cleveland County Council £0.5m; Cynon Valley (Borough of) £0.25m; Newcastle-upon-Tyne (City of) £1.0m; Northampton (Borough of) £0.75m; Preston Borough Council £1.0m.

Dividend resumption in sight for Renold

Renold, the Manchester-based transmission chain, gearboxes and conveyor systems manufacturers, will be in a position to contemplate dividend payments for the first time since 1981-82 once a High Court scheme to eliminate its deficit on distributable reserves has been passed.

The decision to resume dividends, the group stressed, "will need to take into account profitability and available cash resources." In the meantime, Renold is applying to the Court to convert £40.35m nominal ordinary £1 stock units to an equivalent number of ordinary shares each with a par value of £1. Renold then plans to cancel 75p of the nominal value of each share.

Cancellation will create a credit of £30.3m to which a surplus of £1.9m will be added arising from the cancellation of the balance on share premium account. The aggregate credit will be applied to the elimination of the £32.85m distributable deficit although the balance of £9.3m will not be distributable "unless the creditors of the company at the date the reduction becomes effective have been discharged or have agreed otherwise."

J. Henry Schroder Wagg, the merchant bank advising Renold, said yesterday that "we've been striving to get through this reconstruction without diluting shareholders' interests." The effect of the 75p per share nominal cancellation and the elimination of the deficit on revenue reserve means that net worth before minorities is unchanged at £38.8m.

That was supporting net debt of £40m at the March 31 balance sheet date which had been cut from a peak of £51.8m a year earlier.

DIVIDENDS ANNOUNCED

		Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Assoc Heat	int	3.3	Jan 24	3.3	—	10
Bardon Hill	int	0.82§	Jan 2	0.7	—	2.4
Bulmer and Lumb	int	1.65	—	1.65	—	4.5
Energy Finance	int	0.6†	Jan 25	0.6	—	1.31
Gen Stockholders		1.4	Jan 16	1.23*	2.35	2.1*
Hazlewoods Foods		5.5†	Jan 18	4.75	—	11.5
Jersey Gen Inv Tst		5.25†	Dec 31	5	—	12
London & Midland	int	4.25	Jan 25	3.5	—	8
LRC International	int	1.3†	April 1	1.15	—	3.5
MK Electric	int	3.4†	—	3.2	—	9.4
Scottish Inv Tst		3.47	Feb 15	3	5.17	4.7
Sketchley	int	4.3†	Jan 4	4.1	—	14
Stockholders Inv		1.4	Jan 29	1.05*	2.35	1.93*
Whitbread	int	2.05	Jan 11	1.85	—	6.25
Witan Investment	int	1.3	Feb 1	1.2	—	2.55

Dividends shown pence per share net except where otherwise stated. *Equivalent after allowing for scrip issue. †On capital increased by rights and/or acquisition issues. ‡USM stock. §Unquoted stock. ¶Figures stated gross throughout.

Effects of miners' strike likely to be prolonged at AHS

CONFIRMING THE fears expressed by Lord Ezra, chairman of Associated Heat Services, at the last year end, results for the half-year to September 29 1984 have been adversely affected "to a significant extent" by the continuing miners' strike.

Reporting a £260,000 decline in interim profits at the operating level to £1.19m, the chairman now says that the company's policy during the strike of continuing to give clients "the best service possible" inevitably involves higher operating costs.

The deterioration was compounded by a £44,000 reduction in interest and similar income at £111,000 to leave a £304,000 shortfall at the taxable level with profits at £1.3m (£1.61m). The chairman adds that it will be some time after the strike action ends before normal conditions can be expected to return.

Lord Ezra continues by saying, however, that the underlying strength of the business is undiminished. The group's activities include the installation and maintenance of boiler and air conditioning plant and the management and optimisation of energy usage. Turnover for the six months rose from £15.15m to £16.53m.

The interim dividend is held at 3.3p net per share. The total came to 10p last time when the group reported taxable profits at £3.71m (£3.31m) from turnover of £38.84m (£36.18m). After tax at £586,000 (£835,000) for the half-year, earnings are stated at 8.95p, down from 9.63p.

The chairman explains that the reduction in interest income reflected major investments made in capital projects (particularly relating to the installation of energy capsules) which are now beginning to bear fruit in terms of revenue and profits.

Lord Ezra adds that doubtless as the winter progresses the need for improvisation and substitution will tend to increase until the dispute in the mining industry is resolved and this will continue to add to the group's costs.

Meantime, the board has been heartened by the resilience of the business in troubled times and by the increasing awareness among industrial and commercial users of the benefits to be derived by subcontracting energy services to experts in this field.

● comment

The market seems to have overdone the gloom over the impact of the miners' strike on Associated Heat Services, so its 19 per cent decline in taxable profits sent the shares up 7p to 297p, relieved that the damage was not worse. The strike probably wiped around £500,000 off the pre-tax line in the first half, reflecting the costs of financing emergency fuel stocks and the higher labour charges involved in handling sub-standard coal. The group has deliberately chosen not to pass these on to customers in an attempt to foster their goodwill. Coal conversion contracts have been understandably hard to win, although industrial users have been feeling optimistic enough about the outcome of the strike in recent months to place orders for 10 energy capsules on top of the 20 already on site. Four of those, however, are lying idle because of TGWU members' refusal to permit coal deliveries. Meanwhile, contract terminations have almost dried up so that the group is no longer having to run hard to stay still as it was a year ago. About £2.9m pre-tax looks in reach this year, which puts the shares on a prospective multiple of 13 after a 38 per cent tax charge for a 4.9 per cent yield, assuming a maintained final dividend.

Thorn EMI in U.S. video link

By Raymond Snoddy

Thorn EMI Screen Entertainment and Home Box Office yesterday announced the setting up of a joint venture to sell video programmes in the North American market.

For HBO, provider of the leading cable television film channel in the U.S., the joint venture is a first move into video.

The setting up of Thorn EMI/HBO Home Video comes at a time when the U.S. has become both the largest and fastest growing video market in the world.

More than 18m video recorders are now in use in the U.S.

Thorn EMI said yesterday the new alliance would allow two major streams of product to be combined in one competitive flow.

Mr Michael Fuchs, chairman and chief executive of HBO, said the company saw home video as a growing part of the entertainment industry.

"Thorn EMI has a well established home video company and the combined strength we bring to this venture will result in HBO entering this arena at full speed," Mr Fuchs said.

The new company will be responsible for distributing video in North America only. But HBO films which are suitable for foreign video release will be handled overseas by Thorn EMI.

Barratt chief forecasts poor interim figures

BY ALEXANDER NICOLL

Sir Lawrie Barratt, chairman of Barratt Developments, yesterday blamed the poor UK housing market and company rationalisation costs for disappointing results which he forecast for the half year ending in December.

At a packed annual general meeting at London's Savoy Hotel, Sir Lawrie faced sharp criticism from several shareholders who said he had not responded strongly enough to allegations about Barratt's timber frame construction and sales methods contained in two Granada Television World in Action programmes.

Shareholders, who have seen a sharp fall in profits, as well as in the value of their investment, since the first programme was broadcast in 1983, could take little comfort from Sir Lawrie's remarks about the current trading position.

The UK housing market, he said, had been difficult since July because of the rise in interest rates and the miners' strike. "Against private sector starts in 1983 of 170,000, it is now generally accepted that starts in 1984 will fall to 150,000.

"To counter the effects of the big increase in mortgage interest rates, we have operated varying mortgage subsidy plants but not withstanding this assistance to house buyers, our completions for the half year will show a reduction on 12 months ago," Sir Lawrie said.

The half year results will also be adversely affected by a rationalisation programme undertaken to adjust for the reduced sales volume, involving redundancies and mergers of subsidiaries.

Barratt expects increased completions in the U.S. provided that interest rates remain stable, Sir Lawrie said. He reported progress in the property investment and leisure property divisions, and said the contracting division was profitable.

The recent cut in UK mortgage rates and the company's actions should produce an improvement in the second half of the financial year ending next June 30, he predicted. In the last year, Barratt's pre-tax profits fell to £35.6m from £50.3m, on turnover of £537.6m against £512.9m. In the six months to last December, pre-tax profits were £19.1m.

Barratt shares, which have ranged between 188p and 78p this year, lost 4p yesterday to 84p.

Answering shareholders' questions, Sir Lawrie repeated his defence of timber-framed housing and said it had the backing of independent industry bodies.

Shareholders' criticism, however, centred not on the company's construction or selling methods but on its handling of the allegations made about them.

"Shareholders have lost £300m in a year and you have done nothing about it,' said Mr John Chenery, a Londoner holding 3,000 shares. "You do not do enough to repudiate the allegations."

Sir Lawrie insisted that Barratt was doing everything possible to counter them, and did not rule out the possibility of taking legal action after the Broadcasting Complaints Commission has ruled on complaints lodged by the company.

He said Barratt had not taken part in the second Granada programme, which questioned the resale value of Barratt's "starter" homes, because it did not wish its comments to be recorded and edited. Barratt had asked to appear live on the programme, Sir Lawrie said.

Sir Lawrie Barratt . . . quizzed at the annual meeting

The Broadcasting Complaints Commission, chaired by Lady Pike of Melton, is currently considering two separate complaints lodged by Barratt in February and September respectively. It normally takes six to eight months to reach a decision.

RTD on the recovery trail

THE SALE in July of BMG Engineering has still left the RTD Group in loss for the half year ended August 25 1984. But it is in a "much healthier position" and can concentrate on supporting and improving the existing businesses and seek development and growth through acquisition.

The group says the purchase of BMG proved unfortunate, and its disposal—albeit at a cost—marks a significant step forward. It incurred substantial losses up to disposal and these are reflected in the group first half results, which show a profit of £3,000 (loss £53,000) after interest charges £48,000 (£68,000), from a turnover of £3.44m (£3.08m). Earnings are 0.07p (loss 0.73p).

After an exceptional charge of £67,000 relating to BMG, the loss is £64,000. This compared with £31,000 after allowing for a tax credit £22,000, and there was an extraordinary debit £86,000. On this basis the loss per share is 1.51p (0.73p).

The plating companies had a reasonable six months,

Bulmer & Lumb rises

PRE-TAX profits at Bulmer & Lumb (Holdings) improved from £506,000 to £528,000 in the six months to September 30 1984.

Turnover of this Bradford-based coloured top maker and worsted spinner, was slightly lower at £16.46m compared with £16.91m. Trading profit improved from £753,000 to £799,000 in the period, and net interest payable was £76,000 against £73,000.

Depreciation accounted for £195,000 (£174,000). There was a tax charge of £166,000 (£178,000).

The interim dividend is unchanged at 1.65p net—last year's total was 4.5p.

The directors say that prior to the fire last December at Eagle Mills, Bolton, 25 per cent of the yarn division production was carried out at Buttershaw.

MINING NEWS

MIM's Hilton find 'one of the world's greatest'

BY KENNETH MARSTON, MINING EDITOR

MIM Holdings now regards its Hilton silver, lead, and zinc deposit in north west Queensland, Australia, as "one of the world's greatest" following the discovery of two more blocks of mineralisation there.

Mr Bruce Watson, group chairman, told the annual meeting in Brisbane that new ore zones had been delineated at Hilton North. These varied in thickness from 3 metres to 25 metres, which at least double present reserves in the Hilton area but with possibly slightly lower lead and silver grades and higher zinc grades.

He added that exploration at Hilton South indicated an area of potentially economic mineralisation.

Proven reserves at the original Hilton find amount to 2m tonnes grading 140 grammes per tonne silver, 6.2 per cent lead, and 10.5 per cent zinc. Probable reserves are put at 43m tonnes averaging 150 grammes per tonne silver, 6.6 per cent lead and 9.6 per cent zinc.

MIM intends to begin trial mining at Hilton in 1986. Large-scale operations would get under way in the early-1990s with Hilton ore being integrated into the group's lead, zinc and silver production at Mount Isa.

Public Works Loan Board rates

Effective November 21 1984

Years	Quota loans repaid by EIP†	Quota loans repaid A‡	Quota loans repaid at maturity§	Non-quota loans A* repaid by EIP†	Non-quota loans A* repaid A‡	Non-quota loans A* repaid at maturity§
1	—	—	9⅞	—	—	10⅞
Over 1, up to 2	10	10	10¼	11	11	11⅛
Over 2, up to 3	10⅛	10¼	10⅝	11¼	11½	11⅝
Over 3, up to 4	10¼	10½	10¾	11⅜	11½	11½
Over 4, up to 5	10⅜	10⅝	10⅞	11⅜	11⅝	11⅝
Over 5, up to 6	10⅝	10¾	11	11½	11¾	11½
Over 6, up to 7	10¾	10⅞	11⅛	11½	11½	11⅜
Over 7, up to 8	10⅞	10⅞	11⅛	11½	11⅝	11⅝
Over 8, up to 9	10⅞	10⅞	11⅛	11⅝	11⅜	11⅝
Over 9, up to 10	10⅞	11	11	11⅝	11½	11⅜
Over 10, up to 15	11⅛	11	10⅞	11⅜	11¼	11⅛
Over 15, up to 25	10⅞	10⅞	10⅝	11⅛	11	10⅞
Over 25	10⅞	10⅞	10½	11	10⅞	10⅞

* Non-quota loans B are 1 per cent higher in each case than non-quota loans A. † Equal instalments of principal. ‡ Repayment by half-yearly annuity (fixed equal half-yearly payments to include principal and interest). § With half-yearly payments of interest only.

UK COMPANY NEWS

LMI ahead £1.5m and more growth to come

FOLLOWING A record in 1983-1984 London & Midland Industrials saw its profits before tax rise by 68.5 per cent for the opening six months of the current year with all but one of its operating companies showing sales gains.

Mr C. M. Beddow, the chairman of this engineering, industrial services and consumer products group, tells shareholders that progress in both sales and profits during the half year to September 30, 1984 was outstanding.

He says LMI is well poised for further expansion and development and that the directors look forward to the future with confidence.

On the back of a £6.34m rise in turnover to £41.61m first-half profits advanced from £2.21m to £3.72m before deducting tax of £1.66m, compared with £968,000.

Earnings per 25p share show a rise of some 55 per cent at 8.2p (5.3p) and the interim dividend is being stepped up from 3.5p to 4.25p net.

With the exception of Wykeham Farrance (specialised product engineering), where results were affected by a downturn in Middle East markets for its soil testing equipment, all 21 operating companies showed sales gains.

Of turnover, engineering and industrial services pushed their share up by £2.23m to £22.58m while consumer products accounted for £4.11m more at £19.03m.

Pre-tax profits were struck after taking account of income from investments of £287,000 (£2,000) and net interest charges of £530,000 (£535,000).

The attributable balance came through £980,000 ahead at £1.99m after deducting minority interests of £22,000 (£5,000), same-again preference dividends of £141,000 and adding in extraordinary items of £86,000 (debits £86,000).

● comment

The City has consistently underestimated the recent performance of **London and Midland Industrials**, and these interim results were no exception. Pre-tax profits of about £0.5m more than most forecasts made the shares jump 11p to 162p and sent analysts raising their full-year estimates to about £7¼m. On past performance, the group should have little trouble meeting this target. The engineering and industrial services division, which has been improved greatly by management changes in several operating companies, is seeing strong demand both in the UK and in the U.S. Consumer products—whose most important businesses are in garages and greenhouses—has had a bumper summer. Of 21 companies, the group's only loss-maker is Wykeham Farrance, but LMI sees long-term prospects for its soil-testing equipment. Assuming a 44 per cent tax charge the shares are not expensive on a p/e of about 9, especially with a tempting 8 per cent yield. LMI will need to make acquisitions to maintain the momentum of the past two years—but shareholders can draw considerable reassurance from the buying record to date.

N. American Trust

Net asset value per ordinary share ex-dividend rose from 274.7p to 325.4p for the year to October 31 1984 at the Northern American Trust, having stood at 314.9p at the interim stage.

The final dividend is up from 4p to 4.6p net per share for a total of 6p. The directors of this investment trust state that shareholders will shortly be asked to approve a change in policy which will affect the level of revenue over the next few years, and accordingly 0.6p of the current dividend should be regarded as non-recurring.

Net revenue after tax came out at £2.17m (£1.85m) for earnings per share stated at 6.32p (5.39p).

Currency loans of U.S.$25m were repaid during the year.

Television Services

Television Services International says that of the 1,504,584 new ordinary shares offered by way of rights, 1,457,272 shares (96.85 per cent) were taken up.

The balance has been sold in the market and the excess over the subscription price (after deducting the expenses of sale) was 14.1p per share.

Cheques for this amount will be sent as soon as possible to the original provisional allottees, except that amounts of less than £2 per holding will be retained for the benefit of the company.

Sketchley down by 12% as price war cuts margins

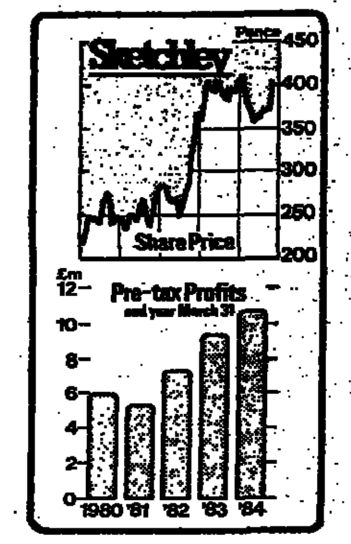
INTENSE PRICE competition in the UK rental business, the effect of the summer weather on dry cleaning and higher interest charges have combined to clip 11.8 per cent off the first half profits of Sketchley. Before tax they are £5.18m, compared with £5.87m.

Mr Richard Newton, chairman, reports a 55 per cent growth in turnover, from £49m to £76.35m. He says the UK rental business achieved a volume increase for the first time for four years, but profits were "much reduced" as a consequence of intense price competition, including the lower price structure now applicable to the NCB, Ford Motor and other major contracts. Profitability of the NCB contract has also been affected by the miners' strike. The hot summer hit dry cleaning, although there was a significant recovery in September.

In the U.S. rental profits in dollar terms were lower compared with the good period of last year, partly due to the cost of assimilating new acquisitions; but the shortfall was offset substantially by favourable exchange rates. Sketchley Cleaners in Toronto and Sketchley Diaper Services in America both made a good start in the current year.

Operating expenses in the period to September 28 1984 were £70.33m (£43.15m) leaving the operating profit only 1.1 per cent higher at £6.03m, subject to interest charges £842,000 (£85,000). Operating expenses included depreciation of tangible assets and circulating inventory of £12.14m (£7.97m).

Following the rights issue in February, further small acquisitions have been made in the U.S. and the addition of new rental business there and in the UK has resulted in an increase in total borrowings, with the corresponding effect on interest costs. Borrowings are currently falling, reports Mr Newton, and will be further reduced by the year end.



The chairman confirms the directors' confidence in their strategy of expansion into overseas markets and new services, despite the short-term costs of implementation. "The outlook is promising in the markets in which the group is involved and its position in those markets is strong," he states.

The group's plan to franchise Sketchley retail dry cleaning in Northern England has been well received. It will lead to a further extension of the geographical coverage of the group's services and will provide a useful contribution to profits in the years ahead.

After tax £1.93m (£2.67m), the net attributable profit for the half year comes out at £3.28m (£3.2m), equal to 14.1p (18.5p) per share, adjusting for the rights issue. The interim dividend is up to 4.3p, against 4.1p. In the full year ended March 30 1984 profit before tax was £10.88m and the total payment 14p.

● comment

In retrospect, it was perhaps too much to hope for that Sketchley's North American acquisitions, for which shareholders were asked to put up £14m earlier this year, would begin to come clean so soon. Unlike the UK market, where industrial rental customers are characterised by their size rather than their numbers, the North American market is highly fragmented, so there is a lot of spadework to do in marketing and sales before the investment starts to wash through the profit and loss account in any cost-effective way. But at least the strategy looks sound; with non-UK business providing roughly half of group sales, the group now has a larger sales base and access to a much wider market at a time when the home base is not far off saturation point. This first half, all profit centres have come under pressure. At home competitive elements have forced price cuts when contracts have been re-negotiated, notably with the NCB and Ford. The miners' strike has also not helped. The immediate outlook is difficult to judge but trading conditions are reportedly slightly better in the second half. This should ensure profits at least on a par with last year's £10.8m. Taking a line through the interim tax charge the prospective p/e is over 13 at 396p, down 6p, a rating which clearly anticipates the impact of taking North America to the cleaners.

COMPANY NEWS IN BRIEF

Elswick Hopper, holding company with interests in agricultural equipment, bicycles and specialist engineering products, has announced that of the 473,830 8 per cent convertible cumulative redeemable preference shares at par, 393,137 convertible preference shares, representing about 82.97 per cent of the issue, have been taken up by shareholders or by renouncees of the right to accept allotment.

* * *

INCREASED rental income and profit from sales of trading properties have enabled **Marlborough Property Holdings** to return to profits for the half-year ended June 30 1984 with £314,000 pre-tax, compared with a loss of £199,000.

Gross rents received came to £421,000 and for the year some £870,000 is expected. On an annualised basis this income is nearing £1m and will continue to rise strongly as developments are completed, helped by rent reviews on a number of investment properties.

At the net level earnings are shown at 1.29p (loss 1.08p) per share, before crediting £33,000 (£653,000) profit on sale of investment properties. The interim dividend is held at 0.2p net, and it is intended to at least maintain the final at 0.3p.

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purposes of considering dividends. Official indications are not available as to whether the dividends are interims or finals and the subdivisions shown below are based mainly on last year's timetables.

TODAY

Interims: Alva Investment Trust, Boots, Burnett and Hallamshire, East Midland Allied Press, Extel, Feedex Agricultural Industries, French Kier, Gieves, Hunter Saphir, Thomas Locker, Merrydown Wine, Powell Duffryn, S & U Stores, TR Natural Resources Investment Trust, United Computer and Technology, Walker and Staff, Wamford Investments.

Finals: Fulcrum Investment Trust, Higsons Brewery.

FUTURE DATES

Interims—	
Century Oils	Nov 27
Coalite	Dec 5
Formdesign	Dec 3
Freshbake Foods	Nov 30
Grootvlei Proprietary Mines	Dec 3
Imperial Continental Gas Association	Dec 11
Marievale Consold. Mines	Dec 3
Rowlinson Securities	Dec 5
St. Helena Gold Mines	Dec 3
Stilfontein Gold Mining	Dec 3
West Rand Consold. Mines	Dec 3
Finals—	
Buffelsfontein Gold Mining	Dec 3
Carr (John)	Nov 27
Ranks Hovis McDougall	Dec 4
Trans-Natal Coal Corporation	Dec 3

FINANCIAL TIMES
Thursday November 22 1984

Lukewarm reception for big Quebec Eurobond, Page 42

WALL STREET

Holiday limits scope for advance

DIFFICULTY was encountered yesterday in extending the recovery by Wall Street stocks, which drifted in thin trading ahead of Thanksgiving today – a holiday which for many is likely to run through to the weekend, *writes Terry Byland in New York.*

The Dow Jones industrial average closed up 6.4 at 1,201.52.

An unexpectedly large drop in October orders for durable goods disturbed many Wall Street economists. Non-defence goods orders fell by 11 per cent, suggesting a more severe economic slowdown than predicted.

With the major institutions and the Wall Street trading desks all aiming to balance their books ahead of an effective four-day break, however, the financial markets were wary.

Credit markets held steady, helped by the Federal Reserve's announcement that it would buy bills after the day's auction of a record $9bn in two-year notes.

The stock market gave up an initial attempt to extend the rally of the previous day and by midsession prices were mixed. Turnover was at the low end of the recent range, but selling pressure was felt throughout the market.

IBM gave a poor lead, dipping $1¼ to $120 despite favourable reports on plans to introduce a new personal computer. Shareholders of Rolm gave their formal agreement to the merger with IBM yesterday. Other personal computer makers looked dull despite reports of a strong start to Christmas sales.

Other high-technology stocks also remained out of favour. NCR at $25⅝ lost $⅝ and Honeywell shed $⅝ to $58¾. Only Hewlett-Packard, still benefiting from the trading statement, moved against the trend with a $⅛ gain to $32⅝.

Motor issues suffered losses up to a full point although selling was light. Airlines, unsettled by an anti-trust dispute between United Airlines, American Airlines and most of the other large domestic carriers, turned mixed. United fell $⅝ to $40, but American at $31½ added $⅜.

A block of 500,000 shares in Financial Corporation of America, the thrift company now rebuilding its deposit base, was traded at $7. The stock quickly moved up to $8, a net gain of $⅛.

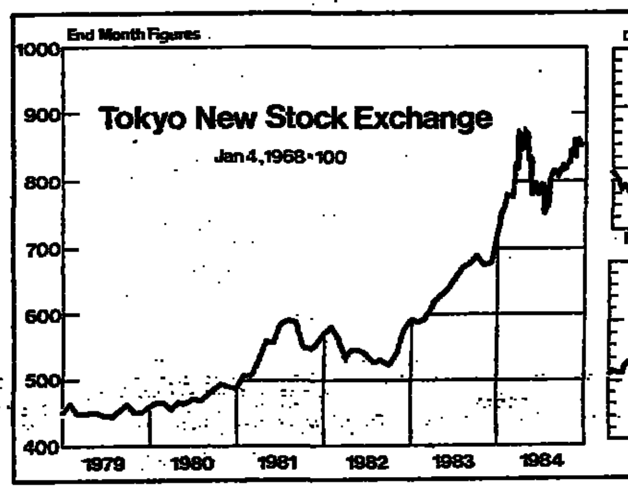
On the takeover front, Diversifoods dipped $⅞ to $10 after the prospective bidding consortium admitted to problems in finding finance for its offer of $15.50 a share. A new lower bid by the consortium has been rejected.

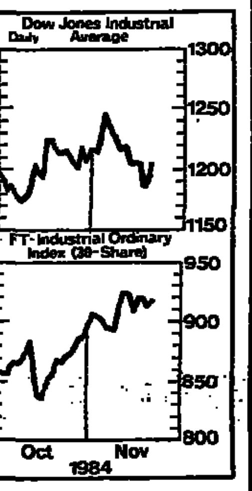
Signal Companies, the high-technology aerospace group, jumped $1⅜ to $33⅛, but the board knew of no reason. International Harvester, rumoured as a possible bid target, eased $½ to $7⅝.

Toys 'R' Us, the leading toy retailer, shed $⅜ to $50¾ in thin trading as the market digested the latest results and assessed the prospects for Christmas. K mart, the discounter, added $¼ to $34⅞. Other retail issues were mixed.

In the credit market, rates began to slip lower after a firm start, although the federal funds rate proved unable to sustain an initial dip to 9 per cent. Six-month Treasury bills were 13 basis points off at 8.58 per cent, although the dip in three-month bills was held to only four basis points. Longer-dated federal bonds moved up fractionally in sluggish trading. At 102⅔₂, the key long bond was ⁵⁄₃₂ up.

KEY MARKET MONITORS





STOCK MARKET INDICES

	Nov 21	Previous	Year ago
NEW YORK			
DJ Industrials	1,201.52	1,195.12	1,268.8
DJ Transport	523.58	520.3	609.4
DJ Utilities	143.67	143.26	136.71
S&P Composite	164.52	164.18	166.05
LONDON			
FT Ind Ord	918.7	912.8	724.4
FT-SE 100	1,166.8	1,159.1	969.5
FT-A All-share	552.89	549.34	462.56
FT-A 500	603.67	599.5	485.84
FT Gold mines	587.2	561.0	494.6
FT-A Long gilt	10.16	10.09	10.04
TOKYO			
Nikkei-Dow	11,249.69	11,256.98	9,409.78
Tokyo SE	852.73	853.41	690.27
AUSTRALIA			
All Ord.	774.2	772.6	718.1
Metals & Mins.	467.2	465.9	511.0
AUSTRIA			
Credit Aktien	58.43	58.20	54.27
BELGIUM			
Belgian SE	156.24	157.07	126.38
CANADA	Nov. 21	Prev	Yr ago
Toronto			
Metals & Mins	1,959.9*	1,964.9	2,312.0
Composite	2,381.7*	2,387.0	2,451.6
Montreal			
Portfolio	118.24*	118.59	120.83
DENMARK			
Copenhagen SE	164.23	168.38	197.61
FRANCE			
CAC Gen	180.1	179.7	144.8
Ind. Tendance	119.4	118.8	92.8
WEST GERMANY			
FAZ-Aktien	closed	367.74	336.9
Commerzbank	closed	1,075.8	999.5
HONG KONG			
Hang Seng	1,084.35	1,072.52	837.18
ITALY			
Banca Comm.	213.28	212.37	180.91
NETHERLANDS			
ANP-CBS Gen	175.0	174.7	139.3
ANP-CBS Ind	136.9	136.7	112.5
NORWAY			
Oslo SE	281.41	280.38	192.89
SINGAPORE			
Straits Times	785.26	786.72	955.88
SOUTH AFRICA			
Golds	1,078.5	1,075.1	713.3
Industrials	937.9	928.1	894.9
SPAIN			
Madrid SE	143.73	143.05	127.17
SWEDEN			
J & P	1,318.89	1,329.25	1,473.23
SWITZERLAND			
Swiss Bank Ind	376.0	373.8	353.9
WORLD	Nov 19	Prev	Year ago
Capital Int'l	184.2	183.9	179.6

GOLD (per ounce)

	Nov 21	Prev
London	$340.75	$342.75
Frankfurt	closed	$343.00
Zürich	$340.75	$342.75
Paris (fixing)	$341.62	$342.57
Luxembourg (fixing)	$343.00	$342.75
New York (Nov)	$342.90	$343.80

* Latest available figure

CURRENCIES

(London)	U.S. DOLLAR Nov 21	Previous	STERLING Nov 21	Previous
$	—	—	1.2275	1.238
DM	3.0185	3.006	3.7	3.725
Yen	245.5	245.0	301.5	303.0
FFr	9.25	9.2225	11.3575	11.3975
SwFr	2.501	2.489	3.07	3.08
Guilder	3.407	3.3965	4.1775	4.1875
Lira	1,873.5	1,864.5	2,299.0	2,301.5
BFr	60.8	60.55	74.75	75.05
CS	1.3188	1.31845	1.618	1.6355

INTEREST RATES

	Nov 21	Prev
Euro-currencies (3-month offered rate)		
£	9⅞	9 13/16
SwFr	5 9/16	5⅝
DM	5⅞	5⅞
FFr	11⅛	11⅝
FT London Interbank fixing (offered rate)		
3-month U.S.$	9⅝	9 11/16
6-month U.S.$	9 13/16	10
U.S. Fed Funds	9⅝	9
U.S. 3-month CDs	9.1	9.1
U.S. 3-month T-bills	8.55	8.6

U.S. BONDS

Treasury		Nov 21* Price	Yield	Prev Price	Yield
11⅝	1986	102 [illegible]	10.45	101 [illegible]	10.5
12⅜	1991	104 [illegible]	11.33	103 [illegible]	11.43
11⅝	1994	101 [illegible]	11.32	100 [illegible]	11.52
11¾	2014	102 [illegible]	11.49	101 [illegible]	11.55

	Nov 21* Price	Yield	Prev Price	Yield
AT&T				
10⅜ June 1990	94⅞	11.70	94⅞	11.70
3⅞ July 1990	72	10.65	72	10.65
8⅝ May 2000	76⅞	12.20	76⅞	12.20
Xerox				
10⅞ March 1993	92⅞	12.10	92⅞	12.10
Diamond Shamrock				
10⅜ May 1993	91	12.35	91	12.35
Federated Dept Stores				
10⅜ May 2013	86⅞	12.30	86⅞	12.30
Abbot Lab				
11.80 Feb 2013	93.80	12.60	93.80	12.60
Alcoa				
12⅜ Dec 2012	95⅞	12.80	95⅞	12.80

FINANCIAL FUTURES

CHICAGO	Latest	High	Low	Prev
U.S. Treasury Bonds (CBT)				
8% 32nds of 100%				
Dec	72-09	72-09	71–14	71–18
U.S. Treasury Bills (IMM)				
$1m points of 100%				
Dec	91.62	91.62	91.46	91.47
Certificates of Deposit (IMM)				
$1m points of 100%				
Dec	90.89	90.83	90.74	90.75
LONDON				
Three-month Eurodollar				
$1m points of 100%				
Dec	90.39	90.40	90.33	90.35
20-year Notional Gilt				
£50,000 32nds of 100%				
Dec	108–30	109–06	108–17	109–06

COMMODITIES

(London)	Nov. 21	Prev
Silver (spot fixing)	609.85p	599.60p
Copper (cash)	£1,088.50	£1,063.00
Coffee (Nov)	£2,445.00	£2,544.00
Oil (spot Arabian Light)	$27.70	$27.75

TOKYO

Firmness fails to take hold

INITIAL FIRMNESS among share prices in response to the overnight rally on Wall Street, gave way as a mood of caution returned to the market, *writes Shigeo Nishiwaki of Jiji Press.*

In a dull session some speculators actively traded medium and low-priced incentive-backed issues in what market experts described as a "money game."

The Nikkei-Dow market average closed 7.29 off at 11,249.69 on volume of 302.93m shares, up from the previous day's 253m. Losses led gains 392 to 321 with 163 issues unchanged.

Active margin trading in incentive-backed issues over the last few weeks, fuelled by a worsening investment climate, has brought margin debt on the three big exchanges to a record high. In this environment, many individual and institutional investors are holding back.

An initial surge of buying was seen in optical fibre-related issues, but this was not followed through. Nippon Sheet Glass firmed Y3 to Y730, Anritsu Electric Y70 to Y2,700 and Sumitomo Electric Y10 to Y969.

Dealers aggressively sought these quality issues in an attempt to shift investors' interest away from incentive-backed stocks, but prices dipped as soon as they ceased buying.

Incentive-backed issues thus dominated market activity. Kaken Pharmaceutical, a biotechnology-related issue, moved the maximum Y500 up to Y4,350 in active trading. Hisamitsu Pharmaceutical also gained Y23 to Y949, but Mochida Pharmaceutical slipped Y430 to Y12,970.

Hidden-asset issues were also favoured. Nippon Express led the actives list with 9.66m shares, gaining Y2 to Y337. Seibu Railway rose by the maximum Y100 to Y1,070.

Foreigners' sell orders placed with the big four brokerage houses again outnumbered buy orders by 17m to 12.5m shares. Small-lot foreign buying helped to boost some non-life insurers, however. Nippon Fire and Marine added Y15 to Y328, and Nisshin Fire and Marine Y19 to Y319.

The bond market, caught between the good performance of the U.S. credit market and the yen's weakness against the dollar, remained almost unchanged in light trading. On the over-the-counter market only sporadic small-lot buying by institutional investors was evident.

The yield on the benchmark 7.3 per cent government bond maturing in December 1993 fell to 6.7 per cent from Tuesday's 6.71 per cent, on buying by some securities houses to replenish inventories.

HONG KONG

TURNOVER in Hong Kong's half-day midweek session exceeded Tuesday's full-day level and brought a broad rally which took the Hang Seng index 11.83 higher to 1,084.35.

Banks and property issues were aided by the prospect of a continued interest rate decline. Hang Seng picked up 50 cents at HK$39.25, while Cheung Kong at HK$8.60 added 10 cents to match a rise by SHK Properties at HK$7.25.

SINGAPORE

MALAYSIAN institutions were identified as sellers in quiet Singapore dealings, where muted support emerged from local operators to leave a slightly softer tone.

Pahang, the volume leader, firmed a cent to S$1.02. Banks held up well and DBS, the busiest, put on 5 cents to S$5.85. Genting added 9 cents to S$4.78. Growth Industries returned to S$2.54 with a 16-cent fall after Monday's short-lived excursion to S$3.

SOUTH AFRICA

A RESILIENT showing was maintained by Johannesburg golds in the face of weakening bullion values, although demand was small.

Southvaal was notable for a R1.75 gain to R87, while Grootvlei firmed 30 cents to R18.80. Mining financials held steady. Actively dealt industrials had 10-cent gains for SA Breweries at R6.60, Sasol at R5.50 and Unisec at R4.60.

CANADA

LITTLE progress could be made in a Toronto market weighed down by a reversal on the gold boards, although many other sectors held close to overnight levels.

Banks held up better than most in Montreal, with industrials lower.

EUROPE

Resistance to sharp trading shift

MOVEMENTS on the major European bourses yesterday were seldom more *than marginal, although centres that* turned slightly lower could still boast some strong share sectors.

A bright opening in Amsterdam faded as investors lost interest and the ANP-CBS index, calculated at midsession, stood at 175.00 for a rise of 0.3 by the close.

Internationals lost most of their appeal, with Unilever Fl 2 down at Fl 295 and Royal Dutch 10 cents weaker at Fl 170.40.

Banks were favoured as ABN finished Fl 3 higher at Fl 334.50, while NMB was Fl 1.90 stronger at Fl 143.90. Most Dutch banks are now in the middle of their trading range for the year as many other sectors approach the highs recorded almost a year ago.

Insurer Amev continued to benefit from its Spanish expansion plans with a rise of 50 cents to Fl 189.70. Pakhoed, the transport and storage group, advanced Fl 1.60 to Fl 62.80.

Boskalis Westminster recovered some of its recently lost ground by gaining Fl 1.20 to Fl 16.20, while biotechnology group *Gist-Brocades* added to the previous session's rise with a further 30 cent advance to Fl 156.50. Investment fund Rorento, recently trading well on poor days for the bourse, held steady at Fl 42.50, just below its high for the year.

Bonds were stable over a broad front with few isolated changes as the new 7.5 per cent loan tender was announced in line with market expectations.

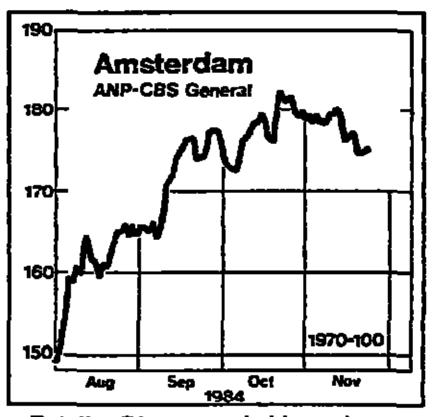
Paris moved broadly higher despite what should have been the normally depressing news of poor trade figures for *October and a sharp decline in house*hold consumption last month. Book squaring ahead of the new monthly trading account, which starts tomorrow, also encouraged the mood.

Foods and stores were generally ahead with Bongrain FFr 4 up at FFr 1,755, while Perrier firmed FFr 2.50 to FFr 493, erasing part of the previous session's fall.

Michelin made further progress after its surge in sales announced on Monday, by rising FFr 5 more to FFr 790.

CIT-Alcatel scored one of the best advances of the session with its FFr 30 rise to FFr 1,375, while Matra's FFr 35 fall to FFr 1,705 was one of the worst.

The four-hour general strike in major Italian cities did not dent the steady progress made in Milan this week. Italcementi, L2,200 higher at L63,700, secured yet another high for the year while Fiat gained L6 to L1,882.



Retailer Rinascente held steady at its peak for the year of L492 and new issue Saipem added L1 to L4,208. Bonds were subdued.

Petrofina led the decline in Brussels, which took the market leader down BFr 100 to BFr 6,990, although volume in the share was light. Sofina was bruised by a BFr 280 drop to BFr 7,570.

Groupe Bruxelles Lambert recouped half the previous session's loss with a BFr 80 advance to BFr 2,120 after its rights issue. Société Générale de Belgique was steady at BFr 1,795 after consideration of its rights, due to start trading in December.

Utilities proved the brightest spot with Intercom BFr 10 higher at BFr 2,120 and retailers were firm with Delhaize also BFr 10 up at BFr 5,800.

Banks in Zurich were strong although the absence of West German investors was detected throughout the market. Bonds firmed on hopes of lower domestic interest rates.

Stockholm was mixed with Asea unchanged at SKr 362 after results and Ericsson under continued pressure at SKr 260 for a drop of SKr 6. Swedish Match recovered SKr 5 to SKr 260 and MoDo in forestries moved for the first time this week with a SKr 8 gain to SKr 248.

Madrid continued higher with some weakness in banks, **Frankfurt** was closed for the Repentance Day holiday.

LONDON

Gilts unable to capture bright tone

DIVERGENT TRENDS emerged yesterday in the two main investment areas of London stock markets. Leading equities followed the more cheerful tone on Wall Street overnight and many shares regained the previous session's losses. The market in government stocks became concerned over sterling's weakness and the threat it poses to interest rate hopes.

Turnover remained at moderate levels ahead of the launch of British Telecom, with business generally concentrated on situation stocks. Good investment buying developed for Marks & Spencer, 4p up at 123p, and Tesco, 9p ahead at 224p, on their joint development deal for edge-of-town shopping sites.

Another factor influencing the rise in equity values was the reluctance of investors to part with stock. The FT Industrial Ordinary index closed 5.9 higher at 918.7.

Gilts, beset by sterling and North Sea oil price worries, and adverse futures market trends, went steadily lower. Closing falls ranged to ¾.

Chief price changes, Page 34; Details, Page 35; Share information service, Page 36–37

AUSTRALIA

RENEWED support emerged for Sydney's metal mining sector, while oil and gas issues remained buoyed by promising drilling reports this week.

BHP put on 15 cents to A$10.85, and results took CSR 2 cents higher to A$3.10. Santos and Hartogen added 4 cents each for a respective A$6.40 and A$2.70. Seltrust featured with a 12-cent jump to 72 cents.

Industrials were more subdued, but 8-cent rises took Bond Corp to A$1.68, Brambles to A$3.62 and Elders IXL to A$3.48.

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

12 Month High	12 Month Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
23½	13¼	AAR	.48	2.3	19	605	21⅛	20⅞	21	-⅛
30½	9⅜	AGS			8	305	10⅝	9¾	10⅛	+¼
22	13½	AMCA	n	1	6.7	3	15	15	15	
17⅞	13⅛	AMF	.50	3.3	83	286	15	14⅝	15	+¼
41¼	24¼	AMR			5	7765	32⅝	31⅛	32	+1
20⅜	18⅛	AMR	pf2.18	11		17	19½	19⅜	19⅜	
41½	27½	AMR	pf2.13	6.5		1341	33	32¼	32⅞	+⅝
23	19	ANR	pf2.12	11.		1	19⅛	19⅛	19⅛	
16⅛	8½	APL			3	2	12	12	12	
70⅜	40⅛	ARA	2.10	3.0	14	3384	u70⅝	70¼	70⅝	+⅜
69¼	44¼	ASA	3a	5.1		582	59	58¼	58⅞	+⅞
30⅜	16½	AVX	.32	1.8	11	50	18¼	17¾	18	+¼
49¼	36¾	AbtLab	1.20	3.0	13	3563	41	40	40⅝	-½
23⅜	16½	AccoWd	s.44	2.0	18	29	22¼	22	22	
27¼	12½	AcmeC	.40	2.6		201	15¼	14	15¼	+⅞
12⅛	8⅛	AcmeE	.32b	3.4	13	13	9⅜	9¼	9⅜	+⅛
18¼	15	AdaEx	2.11e	13		55	16⅛	16⅛	16¼	+⅛
18⅝	11⅞	AdmMl	.32	2.1	8	40	15⅜	15	15¼	+⅛
22	12⅞	AdvSys	.81t	6.2	12	155	13½	13	13	-½
41⅛	25⅞	AMD			13	7493	29⅛	27⅞	28⅜	-⅜
14⅝	7⅞	Advest	.12	1.5		43	8½	8⅛	8⅛	-⅛
16⅛	8¼	Aerflex			11	27	11⅞	11½	11⅞	-⅛
39	27⅞	AetnLf	2.64	7.5	29	3154	35½	34⅝	35¼	+⅜
58¼	52⅞	AetL	pf5.78e	10		97	55¼	55¼	55½	+¼
34½	15¼	Ahmns	1.20	5.0	11	144	24⅛	24	24⅛	+⅛
5½	2⅝	Aileen				71	2⅞	2⅞	2⅞	
48¾	38½	AirPrd	1.20	2.7	10	968	44⅞	44½	44½	-⅜
30⅞	13	AirbFrt	.60	3.1	11	91	19⅝	19⅛	19⅝	+⅜
4¼	1⅞	AlaMoa	.50e	12		2835	4⅛	4⅛	4¼	
31	28⅛	AlaP	pfA3.92	13		8	30⅝	30⅝	30⅞	+¼
7⅞	6	AlaP	dpf.87	12		7	7⅛	7⅛	7⅛	-⅛
70½	61½	AlaP	pf 9	13		z1590	69	68½	69	+¾

Continued on Page 33

AMERICAN STOCK EXCHANGE COMPOSITE CLOSING PRICES

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
[illegible]										

Continued on Page 34

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

Continued from Page 32

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
[illegible]										

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week but not the latest trading day. Where a split or stock dividend amounting to 25 per cent or more has been paid the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a–dividend also extra(s). b–annual rate of dividend plus stock dividend. c–liquidating dividend. cld–called. d–new yearly low. e–dividend declared or paid in preceding 12 months. g–dividend in Canadian funds, subject to 15% non-residence tax. i–dividend declared after split-up or stock dividend. j–dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k–dividend declared or paid this year, an accumulative issue with dividends in arrears. n–new issue in the past 52 weeks. The high-low range begins with the start of trading. nd–next day delivery. P/E–price-earnings ratio. r–dividend declared or paid in preceding 12 months, plus stock dividend. s–stock split. Dividends begins with date of split. sls–sales. t–dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u–new yearly high. v–trading halted. vi–in bankruptcy or receivership or being reorganised under the Bankruptcy Act, or securities assumed by such companies. wd–when distributed. wi–when issued. ww–with warrants. x–ex-dividend or ex-rights. xdis–ex-distribution. xw–without warrants. y–ex-dividend and sales in full. yld–yield. z–sales in full.

WORLD STOCK MARKETS

AUSTRIA

Nov. 21	Price Sch%	+ or —
Creditanstalt	227	......
Goesser	330	+2
Interunfall	391	+3
Laenderbank	226	......
Perlmooser	359	+4
Steyr-Daimler	161	+2
Veitscher Mag	243	+3

BELGIUM/LUXEMBOURG

Nov. 21	Price Frs.	+ or —
B.B.L.	1,805	+5
Banq. Int. A. Lux	5,475	......
Bekaert B	4,300	......
Ciment CBR	2,400	......
Cockerill	289	+4
Delhaize	5,800	+10
EBES	2,820	+15
Electrobel	6,470	......
Fabrique Nat	2,090	......
GB Inno BM	3,175	—25
GBL (Brux)	2,120	+80
Gevaert	3,400	......
Hoboken	5,980	—80
Intercom	2,120	+10
Kredietbank	7,310	—170
Pan Hldgs.	9,680	......
Petrofina	6,990	—100
Royale Belge	10,050	......
Soc. Gen. Banq	4,190	—70
Soc. Gen. Belge	1,795	......
Sofina	7,570	—280
Solvay	4,085	—5
Stanwick Intl.	1,430	+10
Tractionel	3,865	+2
UCB	4,900	—140
Wagon Lits	2,410	—40

DENMARK

Nov. 21	Price Knr %	+ or —
[illegible]		
I.S.S.B.	394	—6
Jyske Bank	480	—20
Novo Ind.	1,370	+30
Privatbanken	230	—12
Provinsbanken	326	—6
Smidth (F)	233	......
Sophus Berend	875	—20
Superfos	417	—20

FRANCE

Nov. 21	Price Frs.	+ or —
Emprunt 4½% 1973	1,672	—28
Emprunt 7% 1973	9,055	—24
Accor	240	+1
Air Liquide	562	+6
BIC	492	+4
Bongrain	1,755	+4
Bouygues	658	+4
BSN Gervais	2,515	—5
CIT-Alcatel	1,375	+30
Carrefour	1,820	......
Club Mediter'n	1,061	+24
Cie Bancaire	585	+5
Cofimeg	231	......
Damart	2,370	—30
Darty	1,190	......
Dumez S.A.	635	—5
Eaux (Cie Gen)	528	—7
Elf-Aquitane	232	—2
Essilor	2,800	—10
Gen. Occidentale	674	—5
Imetal	81.7	+0.8
Lafarge Coppee	375	+2
L'Oreal	2,496	—4
Legrand	1,890	—10
Maisons Phenix	179.5	+9.8
Matra S.A.	1,705	—35
Michelin B	790	+5
Midi (Cie)	1,921	—11
Moet-Hennessy	1,795	+14
Moulinex	92.4	+0.1
Nord Est	70.9	—0.4
Pernod Ricard	747	+5
Perrier	493	+2.5
Petroles Fra	239.4	+2.4
Peugeot S.A.	203	+1.5
Printemp.Aus	186.3	+0.8
Radiotech	230	+12
Redote	1,218	+2
Rousul-Uclaf	1,560	+15
Sefimeg	275	—1
SkisRossignol	1,705	—4
Telemech Elect	2,055	—5
Thomson CSF	363	......
Valeo	241.6	+0.1

GERMANY

Nov. 20	Price Dm.	+ or —
AEG-Telef	106.3	+0.8
Allianz Vers	1,020	+4
BASF	169.5	+0.8
Bayer	179.6	+0.8
Bayer-Hypo	313	+4.0
Bayer-Verein	322	+1
BHF-Bank	275.5	+2.5
BMW	374.5	+0.5
Brown Boveri	198.5	+3
Commerzbank	173.9	+2.2
Cont'l. Gummi	115.5	+1.5
Daimler-Benz	559.5	+2.0
Degussa	360.0	—5.1
D'sche Babcock	145.0	—0.5
Deutsche Bank	378.2	—2.2
Dresdner Bank	165.0	+1.5
GHH	151.5	+0.5
Hochtief	470	......
Hoechst	177.0	+1.3
Hoesch Werke	103.1	+0.5
Holzmann (P)	352	—2
Horten	184.0	+0.5
Hussel	294	—5
Karstadt	245.5	+1
Kaufhof	228.0	+0.5
KHD	250	—1.0
Kloeckner	72.3	+0.8
Linde	359.5	+1.5
Lufthansa	176	+1
MAN	147.5	+2.3
Mannesmann	147.5	+2.3
Mercedes Hld	485	+2
Metallgesell	219.9	+0.4
Munech Rueck	1,175	......
Nixdorf	530	+3
Porsche	1015	+17
Preussag	252.5	+1.5
Rhein West Elect	165.0	—0.5
Rosenthal	255	—2.0
Schering	397.0	+3.8
Siemens	456.5	+5.5
Thyssen	81.5	+0.4
Varta	177	—1
Veba	167.5	+1.3
V.E.W.	122.5	+0.6
Verein-West	293	......
[illegible]		

ITALY

Nov. 21	Price Lira	+ or —
[illegible]		
Bastogi-IRBS	110	—2
Centrale	2,195	+25
Credito Varesino	3,805	—75
Fiat	1,882	+6
Finsider	46	+1.5
Generali Assicur.	30,700	+300
Invest	2,925	+50
Italcementi	63,700	+2,200
La Rinascenti	492	......
Montedison	1,208.5	+13.5
Olivetti	5,965	+4
Pirelli Co.	3,120	......
Pirelli Spa	1,648	—2
Snia BPD	1,960	—10
Toro Assic.	11,700	+201
do. Pref	8,540	+90

NETHERLANDS

Nov. 21	Price Fls	+ or —
ACF Holding	179	—0.5
AEGON	130.5	—0.5
Ahold	177.2	+0.7
AKZO	92.9	—0.7
ABN	334.5	+3
AMEV	189.7	+0.5
AMRO	63.6	+0.3
Bredero Cert	163	......
Bos Kalis Westm.	16.2	+1.2
Buehrmann-Tet	66.2	......
Calland Hldgs	31	—0.3
Dordtsche Pet'm	151.8	......
Elsevier-NDU	108.5	+1
Fokker	69.2	—0.3
Gist Brocades	156.5	+0.3
Heineken	137	—0.1
Hoogovens	60.6	+0.2
Int Mueller	35.5	—0.1
KLM	40.5xc	+0.5
Naarden	42.5	—0.3
Nat Ned Cert	239.5	—1.5
Ned Mid Bank	143.9	+1.9
Nedlloyd	141	—2
Oce Grinten	272	......
Ommeren (Van)	27.2	—0.2
Pakhoed	62.8	+1.6
Philips	55.4	+0.1
Robeco	66.9	+0.5
Rodamco	134.6	—0.1
Rolinco	63.1	+0.5
Rorento	42.5	......
Royal Dutch	170.4	—0.1
Unilever	295	—2
VMF Stork	127.6	+0.6
VNU	189.5	+07
West Utr Bank	107	+2.3

NOTES — Prices on this page are as quoted on the individual exchanges and are last traded prices. Dealings suspended. xd Ex dividend. xc Ex scrip issue. xr Ex rights. xa Ex all.

NORWAY

Nov. 21	Price Kroner	+ or —
Bergens Bank	160	+4
Borregaard	305	+4
Christiania Bank	157.5	+3.5
DenNorske Cred	169	+4
Elkem	123	......
Kvaerner	172	......
Norsk Data	266	+2
Norsk Hydro	112.5xa	......
Storebrand	197	......

SPAIN

Nov. 21	Price Pta%	+ or —
Bco Bilbao	323	—1
Bco Central	331	......
Bco Exterior	203	......
Bco Hispano	325	—5
Bco Popular	385	—5
Bco Santander	330	......
Dragados	164	+2
Hidrola	66.7	—7.8
Iberduero	85.5	+0.8
Petroleos	142	......
Telefonica	93.7	+0.7

SWEDEN

Nov. 21	Price Kronor	+ or —
AGA	332	—3
Alfa-Laval	179	......
ASEA (Free)	362	......
Astra (Free)	310	—10
Atlas Copco	97	—1
Cardo (Free)	210	—5
Cellulosa	116	—1
Electrolux B	218	+1
Ericsson	260	—6
Esselte	263	......
Mo Och Domsjo	248	+8
Pharmacia	179	......
Saab Scania Free	450	+5
Sandvik	358	—1
[illegible]		

SWITZERLAND

Nov. 21	Price Frs.	+ or —
Alusuisse	753	+2
Bank Leu	3,700	—25
Brown Boveri	1,345	+5
Ciba Geigy	2,460	+15
do. (Part Certs)	1,950	+10
Credit Suisse	2,290	+20
Elektrowatt	2,475	......
Fischer (Geo.)	610	+9
Hoff-RochePtCts	88,500	+2575
Hoff-Roche 1/10	8,750	+100
Jacobs Suchard	6,050	......
Jelmoli	1,880	+30
Landis & Gyr	1,540	......
Nestle	5,260	+10
Oer-Buehrle	1,515	......
Pirelli	245	......
Sandoz (Br)	7,000	......
Sandoz (PtCts)	1,115	......
Schindler (PtCts)	530	—5
Sika	1,010	+10
Surveillance	3,700	+40
Swissair	1,010	+10
Swiss Bank	350	+1
Swiss Reinsce	7,700	+435
Swiss Volksbk	1,465	+15
Union Bank	3,490	+15
Winterthur	3,240	—20
Zurich Ins	17,850	+50

AUSTRALIA

Nov. 21	Price Aust $	+ or —
ANZ Group	5.2	—0.08
Alliance Oil Dev	1.05	......
Ampol Pet	1.8	......
Ashton	0.84	—0.01
Aust Cons Ind.	1.82	—0.15
Aust. Guarantee	2.92	—0.08
Aust. Nat. Inds	2.6	......
Aust. Paper	2.32	+0.02
Bell Group	5.7	—0.1
Bell Res	5.4	......
Bond Corp Hldgs	1.68	+0.08
Boral	3.30	......
Bougainville	1.95	+0.04
Brambles Inds.	3.62	+0.08
Bridge Oil	2.6	+0.05
B.H. Prop	10.85	+0.15
CRA	5.36	......
CSR	3.1	+0.02
Carlton Utd	4.30	......
Castlemaine Tys.	5.08	+0.06
Coles (G.J.)	4.12	—0.05
Comalco "A"	2.5	......
Consolidated Pet	0.57	......
Costain Aust	1.4	......
Dunlop Aust.	1.86	—0.01
Elders IXL	3.48xc	+0.08
Energ Res.	1.48	......

AUSTRALIA (continued)

Nov. 21	Price Aust. $	+ or —
Gen Prop Trust	2.23	+0.01
Hardie (James)	3.35	+0.05
Hartogen Energy	2.7	+0.04
Herald W'yTimes	4.35	+0.05
ICI Aust.	2.14	+0.02
Jimberlana F.P.	0.43	......
Kia Ora Gold	0.14	......
Lend Lease	5.62	+0.06
MIM	2.78	—0.04
Mayne Nickless	3.65	......
Myer Emporium	1.78	—0.02
Nat. Aust. Bank	3.55xd	—0.01
News	9.4	......
Nicholas Kiwi	5.1	......
North Bkn Hill.	2.24	—0.05
Oakbridge	0.7	+0.02
Pancont'l	1.21	+0.01
Pioneer Conc.	1.69	+0.05
Poseidon	3.55	......
Queensland Coal	1.16	+0.01
Reckitt & Coln.	3.15	+0.05
Repco	1.26	+0.01
Santos	6.4	+0.04
Smith (Howard)	3.75	—0.07
Thos. Natwide.	1.88	+0.05
Tooth	5.8	+0.1
Vamgas	3.85	+0.05
Western Mining	3.55	—0.01
Westpac Bank	3.87	—0.05
Woodside Petrol.	1.17	......
Woolworths	2.68	—0.02
Wormald Intl	3.05	+0.05

HONG KONG

Nov. 21	Price H.K.$	+ or —
[illegible]		
Wheel'k Mard A.	3.7	+0.05
Wheel'k M'time	1.46	......
World Int. Hldgs.	1.41	+0.01

JAPAN

Nov. 21	Price Yen	+ or —
Ajinomoto	1,130	+20
Alps Electric	2,030	—10
Amada	1,100	—10
Asahi Chem	580	+18
Asahi Glass	836	+6
Bridgestone	563	—7
Canon	1,510	+10
Casio Comp	1,650	+20
Chugai Pharm.	1,080	+20
Citizen	600	+15
Daiei	630	......
Dai Nippon Ptg	1,040	+20
Daiwa House	536	......
Ebara	351	+3
Eisai	1,500	—40
Fanuc	11,120	—170
Fuji Bank	1,030	—50
Fuji Film	1,660	—10
Fujisawa	1,050	—20
Fujitsu	1,360	......
Green Cross	1,690	—10
Hasegawa	359	+3
Heiwa Real Est	555	......
Hitachi	849	—1
Hitachi Credit	1,070	—40
Honda	1,230	—10
House Food	735	+15
Hoya	2,480	—20
Itoh (C)	290	—5
Ito. Yokado	2,470	—20
Iwatsu	1,460	......
JACCS	320	+2
JAL	5,280	—40
Jusco	768	—3
Kajima	280	+2
Kao Soap	790	—5
Kashiyama	625	—5
Kirin	523	—8
Kokuyo	923	......
Komatsu	430	—2
Konishiroku	568	+2
Kubota	322	+1
Kumagai	425	—1
Kyoto Ceramic	7,370	—30
Maeda Const	476	+2
Muakino Milling	1,250	—30
Myakita	1,070	......
Marubeni	297	+1
Marudai	560	......
Marui	1,070	—10
MEI	1,420	+10
M'ta Elec Works.	638	......
M'bishi Bank	1,030	......
M'bishi	513	—2
M'bishi Elec.	405	+5
M'bishi Estate	489	—2

JAPAN (continued)

Nov. 21	Price Yen	+ or —
MHI	238	+3
Mitsui Co	322	—3
Mitsui Estate	665	......
Mitsukoshi	346	......
NGK Insulators	926	+1
Nihon Cement	205	—3
Nippon Denso	1,430	+10
Nipphn Elect	1,230	......
Nippon Express	337	+2
Nippon Gakki	1,470	......
Nippon Kokan	136	+1
Nippon Oil	915	—15
Nippon Seiko	695	+12
Nippon Shimpan	522	+7
Nippon Steel	149	......
Nippon Suisan	317	—1
NTV	12,900	+200
Nippon Yusen	233	......
Nissan Motor	600	......
Nisshin Flour	525	+31
Nisshin Steel	168	—2
Nomura	751	+1
Olympus	1,110	—10
Orient Leasing	3,450	......
Pioneer	2,300	+20
Renown	650	+5
Ricoh	985	+15
Sankyo	952	—26
Sanyo Elect	514	—1
Sapporo	393	......
Sekisui Prefab	570	—2
Seven-Eleven	9,200	+120
Sharp	1,070	......
Shimadzu	795	......
Shionogi	705	—23
Shiseido	1,200	......
Sony	3,610	—10
Stanley	958	+6
[illegible]		
Toyo Seikan	865	......
Toyota Motor	1,250	—10
Victor	1,920	—10
Wacoal	736	—19
Yamaha	625	......
Yamanouchi	1,940	+40
Yamazaki	705	—2
Yasuda Fire	337	+10
Yokogawa Bdge.	448	......

SINGAPORE

Nov. 21	Price $	+ or —
Boustead Hldgs.	1.69	+0.03
Cold Storage	2.59	—0.05
DBS	6.85xa	+0.05
Genting	4.78	+0.08
Haw Par. Bros.	1.91	+0.01
Hong Leong Fin.	2.88	......
Inchcape Bhd.	2.34	+0.03
Keppel Shipyard	1.63	+0.02
Malay Banking	5.4	......
Malay Utd. Ind	2.24	+0.01
Multi Purpose	0.9	......
OCBC	8.9	+0.01
OUB	3.76	+0.02
Public Bank	1.64	+0.01
Sime Darby	1.86	+0.02
Straits Trdg.	4.44	......
Tat Lee Bk.	2.91	—0.01
UOB	4.2	+0.08

SOUTH AFRICA

Nov. 21	Price Rand	+ or —
Abercom	1.47	—0.08
AE&CI	7.85	......
Anglo Am Coal	38.75	......
Anglo Am Corp	24.65	......
Anglo Am Gold	168.75	+1.25
Barclays Bank	17.05	......
Barlow Rand	11.0	......
Buffels	80.25	+0.75
CNA Gallo	2.4	......
Currie Finance	4.2	......
De Beers	8.5	+0.02
Driefontein	54.5	—0.75
FS Geduld	55.25	—1.75
Gold Fields SA	28.75	......
Highveld Steel	4.2	......
Nedbank	13.1	+0.3
OK Bazaars	13	—1.75
Protea Hldgs	1.75	+0.05
Rembrandt	29	+0.25
Rennies	13.5	......
Rust Plat	16.1	+0.3
Sage Hldgs	7.15	—0.05
SA Brews	6.6	+0.1
Smith (CG)	23.1	+0.35
Tongaat Hulett	6.1	......
Unisec	4.6	+0.1

OVER-THE-COUNTER *Nasdaq national market, 2.30pm prices*

[illegible]

LONDON

Chief price changes (In pence unless otherwise indicated)

[illegible]

Continued on Page 42

CANADA

TORONTO

Prices at 2.30pm November 21

[illegible]

MONTREAL

Closing prices November 20

[illegible]

Indices

NEW YORK — DOW JONES

[illegible]

AMERICAN STOCK EXCHANGE CLOSING PRICES

Continued from Page 33

[illegible]

LONDON STOCK EXCHANGE

MARKET REPORT

Equity leaders rebound but gilt-edged beset by renewed worries over sterling

Account Dealing Dates

Option *First Dealings	Declarations	Last Dealings	Account Day
Oct 29	Nov 8	Nov 9	Nov 19
Nov 12	Nov 22	Nov 23	Dec 3
Nov 26	Dec 6	Dec 7	Dec 17

* "New-time" dealings may take place from 9.30 am two business days earlier.

Divergent trends emerged yesterday in the two main investment areas of London stock markets. Leading equities followed the more cheerful tone on Wall Street overnight and many shares regained the previous session's losses. But the market in Government stocks became concerned over sterling's weakness and the threat it poses to cheaper money hopes.

Turnover remained at moderate levels ahead of the impending launch of British Telecom with business generally concentrated on situation stocks. *Currency considerations* lent support to a few blue chips issues currently popular with overseas investors, while other leading shares benefited from news announcements. Good investment buying developed for both Marks and Spencer and Tesco after announcement of the development deal regarding edge-of-town shopping sites.

The possibility that the U.S. Federal Reserve Board could pursue more stimulative policies following the latest slowdown in economic growth helped to underpin sentiment in UK markets. Citibank's surprise reduction in its base rate late the previous evening to 9¾ per cent was not followed by the UK clearing banks, lending rates for which range from 9¾ to 10 per cent. The authorities left dealing levels unchanged in UK money markets yesterday.

Another factor influencing the rise in equity values was the reluctance of investors to part with stock. Only one or two sectors encountered offerings of any size and in most cases the sales were readily absorbed. Throughout the morning, the FT Industrial Ordinary share index went higher and, after being 7.6 up at best, it closed a net 5.9 higher at 918.7.

Beset by sterling and North Sea oil price worries together with adverse futures market trends, Gilt-edged securities went steadily lower. Brokers' favourable views on market prospects, before and after *British Telecom, failed* to generate any buying enthusiasm and dealers met only persistent small selling orders. Although the pound rallied from the day's lowest, Gilts staged little recovery and closing falls ranged to ⅞. Treasury 13¾ per cent 2000-03 gave up an exceptional ⅞ at 126⅜.

Lloyds Brokers rise

Currency considerations and a broker's recommendation for the sector in the wake of C. E. Heath's impressive interim figures induced renewed demand for Lloyds Brokers. The best price levels were not always held, but closing gains still ranged to double-figures. C. E. Heath followed Tuesday's rise of 20 with a small improvement of 3 to 493p, after 498p, while rises of 12 and 17 respectively were seen in Sedgwick, 293p, and Willis Faber, 495p. Minet put *on 7 at 192p and Hogg edged* forward a penny to 205p. Composites revived and GRE featured with a gain of 13 to 673p. General Accident rose 8 to 503p. Royals 6 to 516p and Sun Alliance 5 to 415p. A broker's view that the recent fall had been overdone helped Commercial Union recover 3 to 168p.

The clearing banks displayed modest gains after a quiet trade. NatWest appreciated 5 to 558p as did Lloyds, to 518p, while Midland closed 4 better at 355p. Merchant banks were inclined harder in places. Leopold Joseph rose 5 to 238p and Kleinwort Benson improved 12 to 387p.

Tuesday's highly successful market newcomer Wardle *Storeys attracted fresh support* and closed 6 higher at 166p, after 167p, compared with the offer-for-sale price of 132p. Among other recently-issued equities, USM-quoted T and S Stores gained 3 to 113p; the placing price was 90p.

The Brewery sector's dividend season commenced yesterday with Whitbread "A" reporting a *15 per cent increase in interim* profits to £57.6m. This performance was deemed disappointing in some quarters and the shares initially slipped to 189p, but consideration of the bullish tenor of the accompanying statement prompted a rally which left the shares only a couple of pence down on balance at 193p. Other breweries moved in sympathy with *Allied Lyons closing* unaltered at 170p, after 168p, and Bass, also unchanged at 430p, after 425p. Arthur Guinness lost 3 at 177p, after 176p. Elsewhere, Distillers hardened a couple of pence to 294p.

Barratt Developments came under selling pressure and fell to 80p prior to closing a net 4 down at 84p following the chairman's warning about first-half profits at the stormy annual meeting. Other leading Buildings displayed irregular movements. Blue Circle firmed 4 to 487p, but Tarmac gave up 6 to 506p. Elsewhere, M. J. Gleeson continued to reflect Press comment and gained 7 to 219p in a restricted market. J. Smart attracted support following the chairman's annual review and the close was 4 higher at 57p.

Recently subdued ICI received a mild boost from exchange rate trends and the close was 6 higher at the day's best of 652p. Among other Chemicals, Wolstenholme Rink gained 6 to a 1984 peak of 179p on news that GMF (Investments), a wholly-owned subsidiary of G. M. Firth, has a beneficial interest in 262,500 shares, over 5 per cent of the equity.

Stores firm

News of the Marks and Spencer and Tesco co-operation in the development of a number of out-of-town shopping centres sparked off a good demand for both shares; the former touched 126p before closing 4 better at 123p, while the latter ended 9 higher at 224p, after 226p. Other Store concerns warmed to the prospect of further base lending rate reductions and longer opening hours following publication of the Auld report; this recommended that all restrictions on shop opening hours be abolished. Burton, a buoyant market of late in the wake of excellent annual figures, advanced 6 more to a new high for the year of 399p, while British Home put on 4 to 269p and Debenhams hardened 2 to 210p. Awaiting today's interim results, Boots improved 2 to 211p, after 213p. D-I-Y companies paid particular heed to the Home Office's findings on Sunday opening hours. MFI put on 6 to 230p and Marley gained 3 to 94p. Elsewhere, Press comment on the situation ahead of tomorrow's first closing date of Dixon's revised offer helped Currys rebound 12 to 477p; *Dixons closed 14 better at 392p.* Sumrie jumped 10 to 57p on revived speculative support, while improvements of 6 and 7 respectively were seen in Foster Bros, 136p, and S. Simpson "A," 175p. Against the trend, J. Hepworth lost 7 at 420p, after 416p.

Leading Electricals were inclined harder, Racal improving 4 to 272p and Thorn EMI rising 12 to 490p. Plessey, however, failed to hold an early small improvement and closed unaltered at 202p. MK Electric eased 5 to 313p, despite the increased interim dividend and profits, but Cable and Wireless rose 10 more to 367p. Renewed support left Bowthorpe 7 up at a new peak for the year of 402p, while speculative interest took United Scientific 8 higher to 228p.

Interest in the Engineering sector was at an extremely low ebb and prices rarely strayed from previous closing levels. Among the leaders, TI drifted back 2 to 236p after the recent bout of speculative activity. Elsewhere, Martonair edged up 5 further to 292p, while Rotork, the subject of a newsletter recommendation, hardened 2 to 105p.

Other Food Retailers to attract support included Argyll, up 5 at 221p, and Associated Dairies, 2 dearer at 164p. Cullens "A" hardened 5 more to a 1984 peak of 330p awaiting any further bid developments; St Pauls Stores, which increased its stake in the company last *Monday following the Watling* (105) bid for Cullens, is still considering whether or not to make an offer. Elsewhere, Hazlewood Foods rose 50 to 870p in response to news of doubled interim profits and the acquisition of Knights European Food Group.

London and Mid. good

London and Midland Industrials, reflecting better-than-expected interim figures, moved up 11 to 162p, with the Deferred shares 10 dearer at 89p. Elsewhere in the miscellaneous industrial sector, Johnson Matthey came under sudden selling pressure and dipped 18 to 85p amid fears that British Petroleum may not bid for the company. Uninspiring half-year results left Sketchley 8 down at 396p, but Granada were supported and put on 9 to 167p. Revived demand lifted Rank Organisation 7 to 277p. A flurry of speculative activity left UKO International 9 to the good at 110p, but Extel, a good market of late, ran back 15 to 335p, awaiting today's interim statement. Somic took a turn for the better at 33p, up 5. Among the leaders, Metal Box rallied 6 to 346p following comment on the interim figures, while occasional support left BTR 8 up at a fresh peak for the year of 540p. Reed International were noteworthy for a similar improvement at 482p.

Jonas Woodhead, still excited by the near-11 per cent stake recently taken in the company by IEP Securities, rose 3 afresh to 38p. Elsewhere in Motors, BL gained 2 to 42p on news of the vote to return to work at its Cowley and Longbridge plants. Lucas hardened 2 to 268p, after 269p.

BPCC featured Paper/Printings, rising 6 to 173p. Good Relations rose 5 to 260p on acquisition details, while Usher Walker put on 15 at 225p.

Properties displayed a weak feature in Espley Trust which slumped to 8p prior to closing a net 5 down at 10p following news that Mr Ron Shuck's Consult International, which holds a 25 per cent stake in the company, had been placed in the hands of the receiver. Elsewhere, USM-quoted Hardanger continued to reflect the good annual results and firmed 5 more to 135p. Westminster and Country added 3 to 138p, as did Speyhawk, to 163p.

Bulmer and Lumb, 5 down at 72p, after 70p, on the disappointing interim results, provided an isolated dull feature in a quiet Textile sector.

In Tobaccos, Bats hardened 2 to 275p and Imps edged forward a penny to 189p. Rothmans, however, closed a shade lower at 148p; the interim figures are *scheduled for Tuesday.*

Fashion and General stood out in Investment Trusts, rising 20 to 315p on further consideration of the preliminary results. Among Financials, stockjobbers Akroyd and Smithers at 385p, lost 5 of the previous day's rise [illegible] which greeted the annual figures.

Oils steady

Leading Oils were much quieter and posted minor gains across the board, despite further losses in spot oil prices. BP and Shell moved up 3 apiece to 495p and 625p respectively. Substantial activity in LASMO reflected persistent bid speculation with the shares settling 4 firmer on balance at 357p, after 362p. Burmah added 2 at 202p and Tricentrol hardened 2 to 210p, the latter in front of today's third quarter results. Australian oils provided a firm feature in Santos which improved 6 to 440p following the record oil flow from the Wancoocha 2 well in the Cooper Basin.

In quietly firm Overseas Traders, James Finlay improved 3 to 116p in response to Press comment.

Quiet Mines

The weakness of sterling the dollar had a substantial impact on South African Gold shares. Although marginally easier in dollar terms, reflecting the modest decline in the bullion price, sterling quotations for golds were enhanced as the U.S. currency rose against the pound.

The Gold Mines index, calculated in sterling prices, showed a 6.2 rise at 567.2. Bullion, however, remained under pressure throughout the day and closed a net $2 easier at $340.75 an ounce.

Currency considerations left the majority of South African financials with minor improvements. "Johnnies" and "Amgold" rose around a point apiece to £80 and £76½ respectively, while Transvaal Consolidated Land put on ½ to £26½ and the Bermuda-registered Minorco 10 to 590p. De Beers rallied 5 to 387p.

London-domiciled Financials were highlighted by Charter Consolidated which fell sharply in the wake of a sharp reaction in Johnson Matthey and closed 12 lower at 203p.

Australians provided a firm feature in Seltrust which jumped 10 to 49p amid rumours that Australian interests are building a stake of between 7 to 10 per cent in the company. Renison attracted renewed buying interest on the recent high gold values encountered at the Porgera gold prospect and moved up 5 to 275p; the deferred shares rose a like amount to 265p. Bougainville and CRA hardened a couple of pence apiece to 133p and 370p while speculative interest boosted Allstate Exploration a further 2 to a 1984 high of 31p.

Total contracts in Traded Options amounted to 5,041 comprising 3,761 calls and 1,280 puts. Tesco dominated the proceeding following news of the development deal with Marks and Spencer and 1,093 calls and 60 puts were arranged.

FINANCIAL TIMES STOCK INDICES

	Nov. 21	Nov. 20	Nov. 19	Nov. 16	Nov. 15	Nov. 14	Year ago
Government Secs	82.62	83.04	83.14	83.33	83.81	83.29	83.19
Fixed Interest	86.04	86.29	86.34	86.32	86.18	86.14	86.07
Industrial Ord	918.7	912.8	919.1	920.0	911.6	923.7	724.4
Gold Mines	567.2	561.0	561.5	575.2	581.2	578.2	494.5
Ord. Div. Yield	4.64	4.66	4.64	4.66	4.68	4.63	4.78
Earnings, Yld.% (full)	11.18	11.26	11.19	11.18	11.27	11.14	9.71
P/E Ratio (net) (*)	10.72	10.64	10.71	10.72	10.63	10.76	12.58
Total bargains (Est.)	22,240	20,199	20,111	19,418	21,657	20,330	16,035
Equity turnover £m.	—	318.36	244.04	284.54	285.45	285.06	222.00
Equity bargains	—	15,415	15,433	18,567	16,883	17,430	15,747
Shares traded (ml)	—	120.6	125.9	142.6	178.2	157.1	163.2

10 am 916.6. 11 am 918.7. Noon 919.1. 1 pm 920.4. 2 pm 920.4. 3 pm 920.4.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Industrial 1/7/35. Gold Mines 12/9/55. SE Activity 1974.

Latest Index 01-246 8026.

* Nil=10.30.

† Corrected.

HIGHS AND LOWS / S.E. ACTIVITY

	1984 High	1984 Low	Since Compilat'n High	Since Compilat'n Low		Nov. 20	Nov. 19
Govt. Secs	83.77 (9/1)	75.72 (30/7)	127.4 (9/1/35)	49.18 (3/1/75)	Daily Gilt Edged Bargains	154.3	165.8
Fixed Int	87.48 (14/8)	80.43 (30/7)	150.4 (28/11/47)	50.53 (3/1/75)	Equities Bargains	99.9	100.1
					Value	441.4	493.3
Ind. Ord.	924.3 (13/11)	755.3 (23/7)	924.3 (13/11/84)	49.4 (26/6/40)	5-day Average Gilt Edged Bargains	150.0	162.6
Gold Mines	711.7 (9/3)	485.7 (1/8)	754.7 (15/2/83)	43.5 (26/10/71)	Equities Bargains	104.7	109.1
					Value	532.6	598.1

FT-ACTUARIES SHARE INDICES

These Indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

Figures in parentheses show number of stocks per section

	EQUITY GROUPS & SUB-SECTIONS	Wed Nov 21 1984 Index No.	Day's Change %	Est. Earnings Yield% (Max.)	Gross Div. Yield% (ACT at 30%)	Est. P/E Ratio (Net)	Tues Nov 20 Index No.	Mon Nov 19 Index No.	Fri Nov 16 Index No.	Thur Nov 15 Index No.	Year ago (approx.) Index No.
1	CAPITAL GOODS (205)	543.12	+0.4	9.49	3.71	13.20	540.93	544.81	546.73	546.96	446.83
2	Building Materials (23)	514.95	+0.2	12.52	4.71	9.90	513.97	514.11	515.51	514.55	441.39
3	Contracting, Construction (30)	718.83	+0.2	13.45	5.44	8.51	719.92	722.38	721.98	722.27	676.08
4	Electricals (14)	1566.70	+0.5	10.51	4.61	11.94	1558.79	1580.92	1592.36	1586.50	1613.78
5	Electronics (34)	1935.88	+0.6	7.28	2.28	17.63	1924.10	1948.79	1957.48	1965.37	0.0
6	Mechanical Engineering (61)	266.37	+0.5	12.27	4.88	9.75	265.15	266.80	266.62	266.16	194.64
8	Metals and Metal Forming (9)	159.59	-2.0	14.35	7.66	8.74	162.84	163.61	164.32	165.34	159.80
9	Motors (17)	137.05	+0.3	9.86	4.93	—	136.69	136.76	136.81	137.15	112.16
10	Other Industrial Materials (17)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
21	CONSUMER GROUP (190)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
22	Brewers and Distillers (23)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
25	Food Manufacturing (21)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
26	Food Retailing (12)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
27	Health and Household Products (9)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
29	Leisure (25)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
31	Newspapers, Publishing (13)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
32	Packaging and Paper (14)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
34	Stores (46)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
35	Textiles (19)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
36	Tobaccos (3)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
39	Other Consumer (7)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
41	OTHER GROUPS (88)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
42	Chemicals (17)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
44	Office Equipment (4)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
45	Shipping and Transport (13)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
46	Miscellaneous (54)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
49	INDUSTRIAL GROUP (483)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
51	Oils (17)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
59	500 SHARE INDEX (500)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
61	FINANCIAL GROUP (116)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
62	Banks (6)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
63	Discount Houses (6)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
64	Insurance (Life) (9)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
65	Insurance (Composite) (7)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
66	Insurance (Brokers) (6)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
67	Merchant Banks (12)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
68	Property (53)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
69	Other Finance (17)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
71	Investment Trusts (105)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
81	Mining Finance (4)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
91	Overseas Traders (14)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
99	ALL-SHARE INDEX (739)	552.99	+0.6	—	4.55	—	549.34	552.83	554.83	552.11	452.56

	Index No.	Day's Change	Day's High	Day's Low				
FT-SE 100 SHARE INDEX	1166.8	+7.7	1169.1	1162.8	1159.1	1167.4	1173.5	1164.9

FIXED INTEREST

	PRICE INDICES	Wed Nov 21	Day's change %	Tues Nov 20	xd adj. today	xd adj. 1984 to date
	British Government					
1	5 years	118.36	-0.17	118.56	—	10.53
2	5-15 years	131.72	-0.53	132.42	—	12.20
3	Over 15 years	140.22	-0.52	140.96	—	12.18
4	Irredeemables	151.12	-0.99	152.62	—	13.34
5	All stocks	130.07	-0.41	130.60	—	11.72
6	Debentures & Loans	109.99	-0.08	110.08	—	10.19
7	Preference	77.06	+0.10	76.98	—	6.31
	BRITISH GOVERNMENT INDEX-LINKED STOCKS					
8	All stocks	107.89	-0.06	107.96	—	2.44

	AVERAGE GROSS REDEMPTION YIELDS		Wed Nov 21	Tues Nov 20	Year ago (approx.)
	British Government				
1	Low Coupons	5 years	10.47	10.42	9.63
2		15 years	10.36	10.36	[illegible]
3		25 years	9.85	9.81	[illegible]
4	Medium Coupons	5 years	[illegible]	[illegible]	[illegible]
5		15 years	[illegible]	[illegible]	[illegible]
6		25 years	[illegible]	[illegible]	[illegible]
7	High Coupons	5 years	[illegible]	[illegible]	[illegible]
8		15 years	[illegible]	[illegible]	[illegible]
9		25 years	[illegible]	[illegible]	[illegible]
10	Irredeemables		[illegible]	[illegible]	[illegible]
11	Debs & Loans	5 years	11.65	11.68	[illegible]
12		15 years	11.56	11.57	[illegible]
13		25 years	11.47	11.45	[illegible]
14	Preference		12.76	12.77	12.15
15	Inflation rate	5%	3.43	3.42	3.17
16		10%	3.24	3.23	[illegible]

†Flat yield. Highs and lows record, base dates, values and constituent changes are published in Saturday issues. A list of constituents is available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 15p, by post 28p.

RECENT ISSUES

EQUITIES

Issue price p	Amount paid up	Latest Renunc. date	1984 High	1984 Low	Stock	Closing price p	+ or -	Net Div.	Times covered	Gross Yield	P/E Ratio
‡116	F.P.	9/11	173	134	♦Addison Comms. 2p	173	+1	[illegible]	[illegible]	[illegible]	[illegible]
‡140	F.P.	21/12	150	144	♦Alida	145	-1	[illegible]	[illegible]	[illegible]	[illegible]
57	F.P.	22/11	93	86	Appledore A&P 10p	89		[illegible]	[illegible]	[illegible]	[illegible]
‡100	F.P.	23/11	110	103	♦Breakmate 10p	103		[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	♦DVD Inc 50.01	[illegible]		[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	♦Checkpoint Europe 10p	[illegible]		[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	♦Cranton Lodge 1p	[illegible]		[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Do. Warrants	[illegible]		[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	♦Gancol 5p	[illegible]		[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	♦Hawtal Whiting 5p	[illegible]		[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	♦Health Care Srvcs 5p	[illegible]		[illegible]	[illegible]	[illegible]	[illegible]
210	F.P.	[illegible]	[illegible]	[illegible]	Iceland Frozen F.10p	[illegible]		[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	♦Instem 10p	[illegible]		[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	♦Klark Teknik 10p	[illegible]		[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	♦Media Technology 20p	[illegible]		[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	♦Monument Oil 5p	[illegible]		[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	P.S.M. Int'l.	[illegible]		[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	♦Plasmec 10p	[illegible]		[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Second Market Inv.5p	[illegible]		[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	♦Store Group 10p	[illegible]		[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	♦T. & S. Stores 5p	113	+3	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	♦UDO Hldgs 10p	[illegible]		[illegible]	[illegible]	[illegible]	[illegible]
132	F.P.	[illegible]	[illegible]	[illegible]	Wardle Storeys 10p	166	+6	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Wossanen Ron. Dfl.20	[illegible]		[illegible]	[illegible]	[illegible]	[illegible]

FIXED INTEREST STOCKS

Issue price £	Amount paid up	Latest Renunc. date	1984 High	1984 Low	Stock	Closing price £	+ or -
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	African Dev. Bank 11% Ln. 2010	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Elswick-Hopper 8% Cv. Cum. Pf.	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Estate Prop. Inv. 10½% Cnv.	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Folkestone Water 11% Red. Deb.	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Gable Hse. Prop. 11% Cnv. Uns. Ln.	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Intl. Bk. for Recon. & Dev. Ln.	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Lon. Shop Prop. 1st Mort. Deb.	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Marley Deb.	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Nationwide Bldg. Soc.	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Do.	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Normans Grp. Cnv. Uns. Ln.	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Peel Cum. Pref.	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Plant & Gen. Cnv. Uns. Ln. 1999	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Racal Elect. Cnv. Uns. Ln.	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Slough Ests. 1st Mort. Deb.	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Sun'l'd & Sth. Shields Deb.	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Sweden 11% Ln.	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Tops Ests. 7% Conv. Uns. Ln. 2014	[illegible]	[illegible]

"RIGHTS" OFFERS

Issue price p	Amount paid up	Latest Renunc. date	1984 High	1984 Low	Stock	Closing price p	+ or -
60	Nil	[illegible]	[illegible]	[illegible]	Attwoods	[illegible]	[illegible]
38	F.P.	[illegible]	[illegible]	[illegible]	Baynes Charles 10p	[illegible]	[illegible]
210	F.P.	[illegible]	[illegible]	[illegible]	Cumbrian & General	[illegible]	[illegible]
210	F.P.	[illegible]	[illegible]	[illegible]	Do. Cap.7p	[illegible]	[illegible]
50	Nil	[illegible]	[illegible]	[illegible]	CASE 20p	[illegible]	[illegible]
205	F.P.	[illegible]	[illegible]	[illegible]	Jacks Wm.	[illegible]	[illegible]
205	Nil	[illegible]	[illegible]	[illegible]	Sovereign Oil	[illegible]	[illegible]
170	Nil	[illegible]	[illegible]	[illegible]	Television Services 50p	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Tops Ests. 10p	[illegible]	[illegible]

Renunciation date usually last day for dealing free of stamp duty. b Figures based on prospectus estimates. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. g Assumed dividend and yield. u Forecast dividend cover based on previous year's earnings. C Canadian. F Dividend and yield based on prospectus or other official estimates for 1985. H Dividend and yield based on prospectus or other official estimates for 1983-84. Q Gross. p Pence unless otherwise indicated. I Issued by tender. || Offered holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶ Issued in connection with reorganisation merger or take-over. ■ Allotment letters (or fully-paid). ‡‡ Introduction. ♦ Unlisted Securities Market. ‡ Placing price. † Figures assumed. †† Official London Listing.

NEW HIGHS AND LOWS FOR 1984

NEW HIGHS (79)

BRITISH FUNDS (3): Treas. 3pc 1985, Exchr. 10½pc 1987, Treas. 3pc 1986

AMERICANS (2): CPC Intl., Saul (B. F.)

CANADIANS (1): Trans Canada Pipe

BUILDINGS (3): Gleeson (M. J.), Marchwiel, Lovell (Y. J.)

CHEMICALS (1): Wolstenholme Rink

STORES (11): Body Shop Intl., Home Charm, Brit. Home Stores, Do. 7pcCnv.Uns.Ln. 1997-2004, Burton, Simpson (S.) A, Debenhams, Superdrug Stores, Freemans, Woolworth, MFI Furniture

ELECTRICALS (5): Bowthorpe, Sarasota Technology, Ilec Signal Control, Scantronic, Microgen

ENGINEERING (4): Crown House, Martonair, [illegible]

FOODS (6): Argyll Group, Tesco, Cullen's Stores A, Do. 8pcCnv.Uns.Ln. 2002-07, Hazlewood, Park Food

INDUSTRIALS (12): [illegible]

INSURANCE (6): [illegible]

LEISURE (1): [illegible]

MOTORS (3): [illegible]

NEWSPAPERS (1): [illegible]

PAPER (3): [illegible]

PROPERTY (4): [illegible]

TEXTILES (2): [illegible]

TRUSTS (8): [illegible]

MINES (1): [illegible]

NEW LOWS (14)

STORES (3): House of Lerose, Steinberg, [illegible]

ELECTRICALS (1): Security Tag Syst.

INDUSTRIALS (3): Baxter Travenol, [illegible], Speakman

INSURANCE (1): Torchmark

NEWSPAPERS (1): Independent

PROPERTY (1): Control Secs.

SHIPPING (1): Milford Docks

TEXTILES (1): Manton Bros.

TRUSTS (2): Fleetech, [illegible]

OILS (1): Ohio Resources

OPTIONS

First Deal-ings	Last Deal-ings	Last Declara-tion	For Settle-ment
Nov 19	Nov 30	Feb 21	Mar 4
Dec 3	Dec 14	Mar 7	Mar 18
Dec 17	Jan 4	Mar 21	Apr 1

For rate indications see end of Share Information Service

Stocks to attract money for the call included Charterhall, Combined Technology, Cronite, Burmah Oil, BSG International, Dunlop, Raybeck, Eula Resources, Riley Leisure, Eglinton, Thomas Borthwick and A. Goldberg. Puts were arranged in Steinberg, Dunlop and Davy Corporation, while double options were transacted in BSG International and Dunlop.

ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday.

Stock	Closing price	Day's change
BPCC	173	+6
Hogg Robinson	205	+1
Johnson Matthey	85	-18
Lon. & Midland Inds.	162	+11
LASMO	357	+4
MK Electric	313	-5
Marks & Spencer	123	+4
Minet Hldgs.	192	+7
Sedgwick	293	+12
Tesco	224	+9
UKO Intl	110	+9
Whitbread "A"	193	-2

TUESDAY'S ACTIVE STOCKS

Based on bargains recorded in Stock Exchange Official List.

Stock	No. of changes	Tues. close	Day's change
Heath (C. E.)	14	490	+20
Wardle Storeys	14	160	—
Diploma	13	440	[illegible]
Metal Box	13	340	[illegible]
HAT	12	110	[illegible]
Beecham	11	330	[illegible]
Shell Trans.	11	618	[illegible]
BAT Inds.	10	273	[illegible]
BP	10	492	[illegible]
Bula Res.	10	16	[illegible]
Glaxo	10	955	[illegible]
TI	10	238	[illegible]
Plessey	9	202	[illegible]
Royal Insurance	9	510	[illegible]

RISES AND FALLS YESTERDAY

	Rises	Falls	Same
British Funds	5	83	16
Corpns. Dom. and Foreign Bonds	2	29	47
Industrials	303	182	830
Financial & Props.	115	68	348
Oils	28	15	81
Plantations	1	0	15
Mines	55	24	101
Others	113	20	70
Totals	622	422	1,509

EUROPEAN OPTIONS EXCHANGE

Series	Feb. Vol.	Feb. Last	May Vol.	May Last	Aug. Vol.	Aug. Last	Stock
GOLD C	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	$340.80
GOLD P	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
SILVER C	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	$7.48
S/FL C	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
S/FL P	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
£/FL C	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
£/FL P	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
$/DM C	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
£/$ P	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
ABN C	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
AEGN C	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
AH C	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
AKZO C	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
AMRO C	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
GIST C	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
HEIN C	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
HOOG C	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
KLM C	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
NEDL C	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
NATN C	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
PETR C	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
PHIL C	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
RD C	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
UNIL C	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	

TOTAL VOLUME IN CONTRACTS: 12,671

A=Ask B=Bid C=Call P=Put

LONDON TRADED OPTIONS

Option		Calls Jan.	Calls Apr.	Calls Jly.	Puts Jan.	Puts Apr.	Puts Jly.
B.P. (*496)	390 / 420 / 460 / 500 / 550	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Cons. Gold (*499)	460 / 500 / 550 / 600 / 650	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Courtaulds (*123)	110 / 120 / 130 / 140	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Com. Union (*167)	160 / 180 / 200 / 220	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
G.E.C. (*220)	180 / 200 / 220 / 240	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Grand Met. (*313)	280 / 300 / 330 / 360	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
I.C.I. (*650)	500 / 550 / 600 / 650 / 700	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Land Sec. (*303)	280 / 300 / 330 / 360	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Marks & Sp. (*124)	100 / 110 / 120 / 130	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Shell Trans. (*625)	500 / 550 / 600 / 650 / 700	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Trafalgar Hse. (*306)	280 / 300 / 330 / 360	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Option		Calls Nov.	Calls Feb.	Calls May	Puts Nov.	Puts Feb.	Puts May
Imperial Gp. (*169)	140 / 160 / 180	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
LASMO (*360)	280 / 300 / 330 / 360	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Lonrho (*151)	120 / 130 / 140 / 160	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
P. & O. (*304)	240 / 260 / 280 / 300 / 330	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Racal (*274)	200 / 220 / 240 / 260 / 280	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
R.T.Z. (*627)	500 / 550 / 600 / 650	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Vaal Reefs (*$105)	$90 / $100 / $110 / $120	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
BAT Inds. (*276)	240 / 260 / 280	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Barclays (*519)	420 / 460 / 500 / 550	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Option		Calls Dec.	Calls Mar.	Calls June	Puts Dec.	Puts Mar.	Puts June
Beecham (*336)	300 / 330 / 360 / 390	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Boots (*212)	180 / 200 / 220 / 240	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
De Beers (*$4.73)	$3.50 / $4.00 / $4.50 / $5	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Guest Keen (*186)	160 / 180 / 200	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Hanson (*267)	200 / 220 / 240 / 260 / 280	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Jaguar (*212)	180 / 200 / 220 / 240	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Tesco (*224)	160 / 180 / 200 / 220	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
FT-SE Index (*1168)	1000 / 1025 / 1050 / 1075 / 1100 / 1125 / 1150 / 1175	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Nov. 21. Total Contracts 5,085. Calls 3,794. Puts 1,301.

* Underlying security price.

FT LONDON SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

1984 High	Low	Stock	Price £	+ or –	Yield Int.	Red.
105⅝	101 1/16	Treas. 15pc 1985	101 7/16	–1/16	14.82	9.57
102¼	100	Exch. 12pc Cnv. '85	100¾	.....	11.91	9.60
97 1/16	93 3/16	Treas 3pc 1985	97 1/16	+1/16	3.09	9.25
102	99½	Treas 11½pc 1985	101	–1/16	11.39	9.77
99¼	96 3/16	Treas 8¾pcCnv '85	99 3/16	.....	8.81	9.62
104 3/16	99⅞	Exch. 12¼pc 1985	102 1/16 xd	–1/16	11.97	9.77
103	99 1/16	Exch. 11¼pc '86	102¼	.....	11.49	9.71
102 3/16	96 1/16	Treas. 10pcCnv 1986	100⅛	–1/16	9.99	9.88
92½	88¼	Treas 3pc 1986	92½ xd	+1/16	3.24	8.48
102	96¾	Exch. 10½pc Cv '86	100⅝	–⅛	10.43	10.07
104 3/16	99 1/16	Treas 12pc 1986	102⅝ xd	–3/16	11.69	10.17
98¾	93½	Treas 8¾pc 1984-86‡‡	97¾	–1/16	8.70	10.00
108	102 3/16	Exch. 14pc 1986	106½	–⅛	13.15	10.19
88 7/16	85	Exch. 2½pc 1986	88 7/16 xd	+1/16	2.83	8.95
107	100	Exch. 13¼pc 1987	105¼	–⅛	12.57	10.36
100⅝	94½	Treas 10½pcCv '87	99⅝	–⅛	10.29	10.39
87	83¾	Exch 2½pc 1987	87	+⅛	2.87	8.97
101 3/16	94½	Exch. 10½pc 1987	100⅛	–3/16	10.49	10.42
92	87	Funding 6½pc '85-87‡‡	92½	+1/16	6.49	10.05
99⅝	92⅞	Treas. 10pc 1987	98⅞ xd	–3/16	10.11	10.53
85	81 3/16	Treas 3pc 1987	84	.....	3.53	9.58
105	97¼	Treas. 12pc 1987	103½	–3/16	11.59	10.58
94⅞	87 3/16	Treas 7¾pc 1985-88‡‡	93	.....	8.33	10.36
100	92	Exch 10½pc '88	99 1/16	–1/16	10.56	10.71
98 1/16	89	Treas 9¾pc Cv '88	96 xd	–⅛	10.06	10.83
82	77	Transport 3pc '78-88	80¼	+⅛	3.74	9.60

Five to Fifteen Years

Over Fifteen Years

Undated

Index-Linked

INT. BANK AND O'SEAS GOVT STERLING ISSUES

CORPORATION LOANS

COMMONWEALTH AND AFRICAN LOANS

LOANS

Building Societies

Public Board and Ind.

Financial

FOREIGN BONDS & RAILS

AMERICANS

CANADIANS

BANKS, HP AND LEASING

Hire Purchase, Leasing, etc.

BEERS, WINES AND SPIRITS

BEERS, WINES—Cont.

BUILDING INDUSTRY, TIMBER AND ROADS

CHEMICALS, PLASTICS

DRAPERY AND STORES

DRAPERY & STORES—Cont.

ELECTRICALS

ENGINEERING

ENGINEERING—Continued

FOOD, GROCERIES, ETC

HOTELS AND CATERERS

HOTELS—Continued

INDUSTRIALS (Miscel.)

INDUSTRIALS—Continued

INSURANCES

LEISURE

LEISURE—Continued

MOTORS, AIRCRAFT TRADES

Motors and Cycles

Commercial Vehicles

Components

Garages and Distributors

NEWSPAPERS, PUBLISHERS

PAPER, PRINTING ADVERTISING

PROPERTY

PROPERTY—Continued

SHIPPING

SHOES AND LEATHER

SOUTH AFRICANS

TEXTILES

TOBACCOS

TRUSTS, FINANCE, LAND

Investment Trusts

INVESTMENT TRUSTS—Cont.

Finance, Land, etc

OIL AND GAS

OIL AND GAS—Continued

OVERSEAS TRADERS

PLANTATIONS

Rubbers, Palm Oil

Teas

MINES

Central Rand

Eastern Rand

Far West Rand

O.F.S.

Finance

Diamond and Platinum

MINES—Continued

Central African

1984 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's
280	145	Falcon 250c	150		Q100c	♦	38.9
17	8	Wankie Col. Z$1	9½		—	—	—
21	14	Zam Cpr SBD0.24	14½		—	—	—

Australians

1984 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's
51½	23	ACM 50c	49		—	—	—
38	17	Alliance Explr. NL	32	+2	—	—	—
10½	3½	Asia Oil & Minerals	4¼	+¼	—	—	—
19½	12	Ass. Hydrocarbons NL	18		—	—	—
28	13½	Australis Mng N.L.	15		—	—	—
45	15	Balmoral Res.	20		—	—	—
36	18	Black Hill Mins.	23	−½	—	—	—
120	77	Bond Corp	120	+2	Q10c	♦	6.0
177	90	Bougainville 1 Kina	133	+2	[illegible]	1.2	[illegible]
406	276	CRA $2	370	+2	[illegible]	1.5	2.3
86	44	Carr Boyd 20c	69		—	—	—
40	18	Central Kalgoorlie	26		—	—	—
43	20	Central Pacific	32		—	—	—
4¼	2½	Coen Gld Mg Area NL	3½		—	—	—
8½	4¼	Coopers Res. NL	6½		—	—	—
26	8½	Cullen Pac NL	9½		—	—	—
14½	6½	Eagle Corp 10c	7		—	—	—

Tins

Miscellaneous

1984 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's
370	210	Centennial Min'ls.	300	−5	—	—	—
175	80	Colby Res Corp.	95		—	—	—
955	550	Cons. Murch. 10c	625	+50	†Q100c	1.4	7.0
36	25	Emess Int. Ir10p	34		—	—	—
252	160	Hampton Areas 10p	175		3.75	2.1	2.9
225	140	Highwood Res.	200		—	—	—
£24½	£16	Homestake Mining $1	£20⅝	+½	Q20c	—	0.4
235	135	McFinley Red Lake	230	+30	—	—	—
240	101	Muslo Explorations	190	−5	—	—	—
55	33	New Sabina Res C$1	35		—	—	—
365	220	Northgate C$1	300	+10	—	—	—
718	500	RTZ	625	−2	†18.0	2.7	4.1
£155½	£113½	Do. 9½pcLn '95-2000	£136		Q9½%	35.4	(7.2
£11¼	850	Tara Expln $1	912		—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- ● "Tap Stock".
- ●+ Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ♦ Figures or report awaited.
- ♥ Not officially UK listed; dealings permitted under Rule 535(4)(a).
- ✤ USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- ‡‡ Dealt in under Rule 535(3).
- # Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ♦ Merger bid or reorganisation in progress.
- ♦ Not comparable.
- ♦ Same interim, reduced final and/or reduced earnings indicated.
- ♦ Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ☆ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ‖ No par value.

B.Fr. Belgian Francs. Fr. French Francs. ♦♦ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Tax free. b Figures based on prospectus or other offer estimate. c Cents. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Subject to local tax. x Dividend cover in excess of 100 times. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1983-84. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1984. K Figures based on prospectus or official estimates for 1984. M Dividend and yield based on prospectus or other official estimates for 1985-86. N Dividend and yield based on prospectus or other official estimates for 1985. P Figures based on prospectus or other official estimates for 1983. Q Gross. T Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend, xc ex scrip issue, xr ex rights, xa ex all, xd ex capital distribution.

REGIONAL & IRISH STOCKS

The following is a selection of Regional and Irish stocks, the latter being quoted in Irish currency

Albany Inv 20p	86		Arnott	160xd	
Craig & Rose £1	£11		CPI Hldgs.	54	
Finlay Pkg. 5p	42		Carrol Inds.	120	
Higsons Brew	85		Dublin Gas.	65	
Holt (Jos) 25p	890		Hall (R. & H.)	38	
IoM Stm. £1	120		Heiton Hldgs.	15½	
IRISH			Irish Ropes	35	
Exch. 12% 1985	£99		Jacob (W. & R.)	65xd	
Nat. 9½% 84/89	£83¾		TMG	67	
Fin. 13% 97/02	£88¼		Unidare	77	

OPTIONS — 3-month call rates

Industrials	p				
Allied-Lyons	15	Hawker Sidd	38	Vickers	18
BOC Grp.	24	Hse of Fraser	28	Woolworth Hldg.	50
BSR	15	ICI	50		
Babcock	13	'Imps'	14	Property	
Barclays Bank	42	Jaguar	18	Brit Land	14
Beecham	30	Ladbroke	20	Cap Counties	18
Blue Circle	46	Legal & Gen.	42	Land Secs	24
Boots	18	Lex Service	32	MEPC	30
Bowaters	16	Lloyds Bank	42	Peachey	24
Brit Aerospace	34	'Lots'	1¼	Samuel Props	14
BAT	22	Lucas Inds.	24	Sterling Guar.	5½
Brown (J.)	3	'Mams'	14		
Burton Ord.	32	Marks & Spcr	10	Oils	
Cadburys	24	Midland Bk	33	Brit. Oil & Min	4½
Comm Union	15	NEI	9	Brit Petroleum	38
Courtaulds	11	Nat West Bk	54	Burmah Oil	19
Debenhams	19	P & O Dfd	24	Charterhall	6
Distillers	24	Plessey	28	Premier	6
Dunlop	5	Racal Elect	24	Shell	55
FNFC	7	RHM	10	Tricentrol	22
Gen Accident	42	Rank Org Ord.	24	Ultramar	22
Gen Electric	20	Reed Intnl	50		
Glaxo	90	Sears	7	Mines	
Grand Met	26	TI	28	Charter Cons	21
GUS 'A'	55	Tesco	8	Cons Gold	42
Guardian	58	Thorn EMI	42	Lonrho	14
GKN	16	Trust Houses	12	Rio T Zinc	60
Hanson Tst	22	Turner Newall	9		
		Unilever	80		

A selection of Options traded is given on the London Stock Exchange Report page.

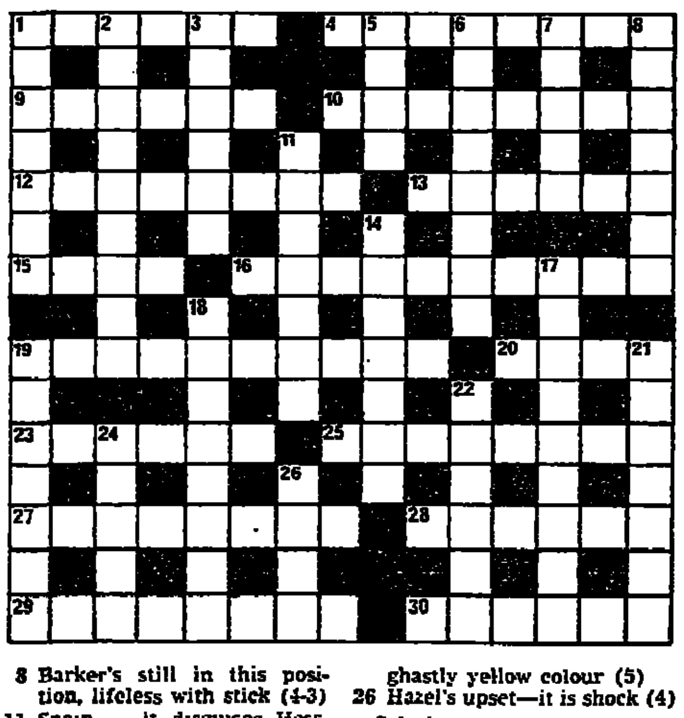
"Recent Issues" and "Rights" Page 35

AUTHORISED UNIT TRUSTS

FT UNIT TRUST INFORMATION SERVICE

INSURANCES

F.T. CROSSWORD PUZZLE No. 5,576



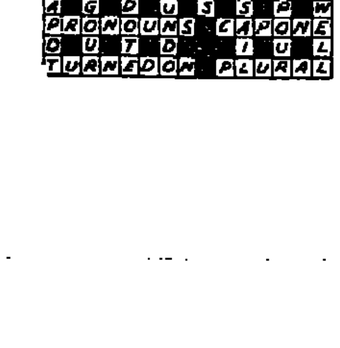
ACROSS

1 Old master's cheeky kid? (6)
4 Work force at ring-road in midlands (8)
9 For the prude, what one hug might turn out to be? (6)
10 Pleasant air in California? Virginia ain't worried (8)
12 In the main, it is sluggish (3-5)
13 Treasure-chests not opening? Here are some proposals (6)
15 A force needed for biting (4)
16 Adversary not against conversion (10)
19 Shades of having celebrated with girls? (3-7)
20 Discern the flaw? (4)
23 H. is leaving Himalayas for the eastern states (6)
25 Half-time music while players rest? (8)
27 Wine seen in France — with mother's ruin — and stirred (8)
28 Sheep penned by farmer in Orense (6)
29 Elementary thing for smallest pig to swallow ten cents (8)
30 Plastered and pebble-dashed? (6)

DOWN

1 Bun is here — otherwise tea is outside (7)
2 Sweetheart takes job that means calling up (9)
3 Old city-slicker Ernest, we hear (6)
5 Role-reversal trick? (4)
6 Bobby — in uniform and a walker! (8)
7 Ring dynamic girl (5)
8 Barker's still in this position, lifeless with stick (4-3)
11 Spain — it disguises Hess, for instance (7)
14 Learns about love in port (7)
17 What happens in collision? One parliamentarian takes case (9)
18 That part of the house making Ma poorly? (8)
19 Revolutionary tea-maker (7)
21 Foot's first established position? (3-4)
22 Eager to show skill around study (6)
24 Semi-lune free of that ghastly yellow colour (5)
26 Hazel's upset—it is shock (4)

Solution to Puzzle No. 5,575



INSURANCE, OVERSEAS & MONEY FUNDS

OFFSHORE AND OVERSEAS

Wren Commodity Management Ltd
10, St George's St, Douglas, IoM. 0624 25015

Wren Com Fd	12.8	13.5	....	3.10
Chinese Fd	59.9	62 4	....	1 70
PrecMetFd	122.7	127.8	....	8 30
VangCmdyFd	27 4	28.1	....	—
FinFuturesFd	32.4	33.8	....	—

Yamaichi Dynamic Mngt Co SA
10a Boulevard Royal, Luxembourg.

DynmcGthFd	59.46	—	....	—

Money Market Trust Funds

	Nom	Apr	Int Cr	Notice
Mallinhall Ltd				
36 Berkeley Sq, W1X 5DA			01-499 6634	
M'hallMnyFd	9.125	9 442	Qtr	Call
The Money Market Trust				
63 Qn Victoria St, EC4N 4ST.			01-236 0952	
Call Fund	9 51	9 78	6mth	Call
7-day Fund	10.10	10.49	6mth	7-day
Oppenheimer Money Management Ltd				
66 Cannon St, EC4N 6AE			01-236 1425	
Call Fund	9 89	10 13	6mth	Call
MnyMngAc	9 75	10 11	3mth	Call
Dollar	8.19	8.39	6mth	2-day
7-day Fund	9.95	10.23	6mth	7-day

Money Market Bank Accounts

	Nom	Apr	Int Cr	Notice
Aitken Hume				
30 City Road, EC1Y 2AY.			01-638 6070	
Treasury Acc	10 00	10.38	Qtr	Call
Mth Int Chq	10 00	10.47	Mth	Call
Bank of Scotland				
38 Threadneedle St. EC2P 2EH.			01-628 8060	
Cheque Acc	9 45	9 87	Mth	Call
Barclays Prime Account				
PO Box 125, Northampton			0604 252891	
High Int Chq	9 75	10 11	Qtr	Call
Britannia Grp of Investment Companies				
29 Finsbury Circ, EC2M 5QL			01 588 2777	
Cater Allen	10 00	10.471	Mth	Call
Charterhouse Japhet plc				
1 Paternoster Row, EC4M 7DH			01-248 3999	
Sterling	10.00	10.47	Mth	Call
U.S. Dollar	9 00	9 51	Mth	Call
German Marks	5 0	5 13	Mth	Call
Swiss Francs	2 0	2 05	Mth	Call
Japanese Yen	5.0	2 05	Mth	Call
Choulartons				
30 Ashley Rd, Altrincham, Cheshire. WA1 2DW.			061-928 9011	
Cheque Acc	10.25	10 75	Mth	Call
Co-operative Bank				
78-80 Cornhill EC3.			01-626 6543 Ext 465	
Cheque&Save	8.00	8 24	Qtr	Call
Over £1,000	10 00	10 38	Qtr	Call
Dartington & Co Ltd				
Dartington, Totnes, Devon, TQ9 6JE.			0803 862271	
MnyMktAcc	10.25	10.65	Qtr	Call
Lombard North Central plc				
17 Bruton St, W1A 3DH			01-409 3434	
Notice Dep	10.250	10 52	Rate	14-day
M & G Kleinwort Benson				
91-99 New London Rd, Chelmsford.			0245 51651	
HighInChqAc	9.76	10.25	Daily	Call
Midland Bank plc				
PO Box 2, Sheffield.			0742 20999 Ext 8738	
High Int Chq	9 50	9 84	Qtr	Call
Save & Prosper/Robert Fleming				
28 Western Rd, Romford, RM1 3LB.			0708 66966	
HghIntMktAc	*8 89*	*9.30*	*Daily*	*Call*
Premier Acc	8.89	9 30	Daily	Call
Tyndall & Co				
29-33 Princess Victoria St, Bristol BS8 4BX			0272 732241	
DemandAcc	9.46	9 81	Qtr	Call
Money Acc	9 625	9 98	Qtr	Chq17
J. Henry Schroder Wagg & Co Ltd				
Enterprise House, Portsmouth.			0705 827733	
Special Acc	9.875	10.33	Mth	Call
Ovr£1,000	10.125	10.60	Mth	Call

NOTES—Interest rates given both as a nominal rate and an annual percentage rate adjusted for frequency of interest credit.

NOTES

Prices are in pence unless otherwise indicated and those designated $ with no prefix to U.S. dollars. Yields % (shown in last column) allow for all buying expenses. a Offered prices include all expenses. b Today's prices. c Yield based on offer price. d Estimated. g Today's opening price. h Distribution free of UK taxes. p Periodic premium insurance plans. s Single premium insurance. x Offered price includes all expenses except agent's commission. y Offered prices includes all expenses if bought through managers. z Previous day's price. ♦ Guernsey gross. § Suspended. ♦ Yield before Jersey tax. † Ex-subdivision. ‡‡ Only available to charitable bodies. @ Yield column shows annualised rates of NAV increase.

COMMODITIES AND AGRICULTURE

Freight futures company formed

By Our Commodities Editor

SHIPBROKERS Eggar Forrester are linking with E. Bailey Commodities to form a company to trade in freight futures, it was announced yesterday.

The company, called Eggar-Bailey Futures, is being created in anticipation of the launch, hopefully in mid-1985, of the Baltic International Freight Futures Exchange (Biffex).

There has been considerable interest in the proposed freight futures market, which will be housed in the Baltic Exchange.

Eggar-Bailey will offer full Biffex facilities for hedging price movements in the dry cargo shipping market.

● LAZARD BROTHERS, London merchant bank, has completed the takeover of commodity brokers Gardner Lohmann. Lazard, which already had a controlling interest, has now increased its stake to 100 per cent of the shares. Mr Peter Malyan has been appointed managing director.

● SPOT (November) position on the London robusta futures market dropped by £95 to £2,450 a tonne yesterday after an inflow of delivery offers eased the shortage of immediately available supplies. There were 928 tenders and 123 gradings in the afternoon.

● BULL testing centres at Stoneleigh, Warwickshire, and West Buckland, Somerset, owned by the Meat and Livestock Commission, will close next spring. The MLC will concentrate its bull performance testing at Holme Lacy, Hereford, Stockton on the Forest, Yorkshire, and Ingliston, Edinburgh. The closures will save about £60,000 a year.

● SPAIN has placed a ban on maize and sorghum imports to protect domestic prices.

Peru strike lifts copper prices

BY JOHN EDWARDS, COMMODITIES EDITOR

COPPER PRICES advanced strongly on the London Metal Exchange yesterday following the sharp drop in the value of sterling and news of a strike at Southern Peru Copper Corporation. The higher grade cash price gained £35.50 to £1,083.50 a tonne, recouping the losses suffered during the past week.

Reuter reported from Lima that more than 4,400 workers had gone on strike at Southern Peru plants, which normally provide some two-thirds of the country's total annual output of 320,000 tonnes. A company official said the stoppage might force it to declare force majeure on copper delivery contracts within a week. However, he hoped negotiations would resolve the dispute within the next few days.

The upturn in the copper market was encouraged, too, by reports of further Chinese purchases, a "buy" recommendation by a leading commission house and the firmer tone in New York.

While copper was moving ahead, aluminium continued to struggle, with prices moving erratically. The cash price eventually closed £4.25 lower at £921 a tonne.

The market remains highly nervous and unsettled, with speculative selling threatening to emerge. Alcoa, the world's biggest producer, announced that it will reduce output on December 1, but only by 9,000 tonnes.

The company will close 34,000 tonnes of capacity at Rockdale, Texas, but will restart production of 25,000 tonnes in Tennessee. The adjustments follow an offer by the Tennessee Valley Authority to provide lower-cost power.

Lead prices eased following news that further negotiations to settle the long-running strike at St Joe Resources in Missouri would be resumed next week.

Nickel values moved ahead on an announcement by International Nickel that it will shut down production at its big Port Colborne refinery in Ontario for two weeks beginning December 17.

U.S. crude oil stocks rising

BY NANCY DUNNE IN WASHINGTON

U.S. CRUDE oil stocks are approaching last year's levels for the first time since August, according to American Petroleum Institute figures.

Crude stocks leapt upwards by about 6.5m barrels to 350.5m barrels at the end of last week. Last year at this time, stocks stood at 354m barrels.

Crude imports continued to run above last year's levels, as they have almost consistently since September. The U.S. imported 3.8m barrels last week, compared with 2.8m in the same week of 1983.

Distillate stocks continued to fall behind 1983 levels, and they dropped slightly last week to 155.6m barrels.

Stocks of residual fuel oil last week stood at about 49.2m barrels, virtually the same as in 1983.

Our Commodities Staff write: The API figures had little impact on the London gas oil futures market yesterday. However, prices lost ground following the easier trend in crude oil values, lack of physical demand and the rise in the value of the dollar.

Subsidy rate boosts EEC wheat sales

By Ivo Dawnay in Brussels

GRAIN TRADERS swooped yesterday on an EEC daily minimum export subsidy offer of Ecu 14.5 per tonne, accepting the rate for 831,500 tonnes of soft wheat.

Market managers at the European Commission had considered lowering the minimum subsidy price offer on Tuesday night by Ecu 1 per tonne following the renewed rise in the value of the dollar.

Their decision to hold off is thought to have triggered the heavy take-up by traders. Cereals market observers in Brussels believe that the bulk of the exports sales will be for the Soviet Union.

About 2m tonnes of grain contracts are believed to be signed with the Soviets presently, but traders have until now not taken up subsidies hoping for better margins.

Last week, the subsidy on offer at the official tendering auction was Ecu 16.49, but this is expected to fall again today if the dollar remains firm.

The traders' decision to take up the daily minimum tender is based on speculation that the subsidies on offer are likely to fall further. It is understood that many of the outstanding contracts for the Soviet Union are not for delivery under January or February, giving the trade sometime to watch the market before putting in a bid.

The Ecu 14.5 per tonne offer is one of the highest this year for minimum subsidies, and the high level of take-up means the Commission is likely to lower the tender offer at today's auction.

Andrew Gowers reports from the farming outlook conference

Warning on grain surplus build-up

THE EUROPEAN Community's cereals surplus could grow by between 26m and 34m tonnes by 1989 if nothing is done to check production, a leading figure in the UK grain trade warned yesterday.

Mr Johnny Johnson, a director of Dalgety, one of Britain's largest grain traders and the country's second largest animal feed manufacturer, told the agricultural outlook conference in Stoneleigh, Warwickshire, that the EEC's harvest of wheat and coarse grains could total 155m tonnes in 1989 compared with its record of at least 142m this season. Community consumption was unlikely to increase by more than 10m tonnes.

In addition, the world grain market, which is likely to grow very slowly for the rest of the decade, would be incapable of absorbing the additional quantities, and the EEC would be unable to increase its market share owing to international trade agreements.

"I believe we would bankrupt the Community agricultural budget if institutional prices were above world prices, and that we could not get rid of anything like these tonnages under GATT [the General Agreement on Tariffs and Trade]," he said.

The Community is experiencing difficulties in disposing of this year's surplus. According to grain traders, the Commission is reconciled to having to carry over a stock of about 25m tonnes.

Following this year's bumper crop, cereals have emerged as the big issue in next year's EEC negotiations on farm support arrangements for the 1985-86 marketing year, rivalled only by Mediterranean products like wine as a cause for concern.

In his keynote speech, Sir Michael Franklin, Permanent Secretary to the Ministry of Agriculture, gave indications of the financial impact of this year's UK cereal harvest. He said the increased output was likely to compensate farmers for lower prices this calendar year, and that the farming industry as a whole might show a "significant increase" in income over its 1983 level.

In the 1984-85 marketing year, which began in April, arable farm incomes might remain unchanged or rise slightly over the previous 12 months in real terms while pig and poultry farmers' incomes would rise, and dairy, beef and sheep producers' earnings would fall.

Sir Michael said that investment by farmers in buildings and works was likely to increase further this calendar year, while spending on plant and machinery would fall.

Time for action on cereal production

THE UK farming industry seemed more introspective and uncertain than ever at yesterday's Outlook Conference at the National Agricultural Centre, in Stoneleigh, *writes Andrew Gowers.*

Notwithstanding the prospects for improved farm incomes this year, outlined by Sir Michael Franklin, Permanent Secretary to the Ministry of Agriculture, in his keynote address, speaker after speaker painted an increasingly gloomy future.

There were signs too of deeper issues beyond those of supply demand and subsidy which have often preoccupied farmers and their leaders in the past.

No one at the conference, least of all Sir Michael, was in any doubt of the need to reduce subsidised cereal production. "If 1984 was the year of action for milk, in 1985 the focus should be on cereals," he said.

Most speakers, including the Permanent Secretary, agreed too that the accent should be on getting output down by cutting prices, although no one suggested how far prices needed to fall to achieve this.

Only a few, largely academic dissenters questioned this view and advocated a system of production restraints or quotas.

Prof John Marsh, head of agricultural economics at Reading University, injected a note of political realism. The problem, he suggested, was that Governments, mindful of their farm lobbies at home, were unlikely to cut prices by sufficient amounts to restrain production.

"The existence of surpluses in other sectors (than milk) suggests that there is a risk that quotas may be more widely used, he said. "The administrative problems involved are substantial, but these may be preferred to the political odium, which would flow from a sufficient cut in prices."

Among issues covered were:

● Health and nutrition. The increasing emphasis on the ill-effects of animal fats, highlighted for example, in the recent report by the Government-appointed Committee on the Medical Aspects of Food Policy was of key importance, said the professor.

"For agriculture, a decline in the demand for dairy products and meat is of profound importance. Livestock and livestock products account for more than 60 per cent of UK farm output. Reduced sales of animal products would cut the market for cereals, most of which go into animal feed."

● Improved marketing of farm produce. Mr John MacGregor, Minister of State for Agriculture, at a pre-conference dinner, referred to the growing power of the big buyers of farm produce such as supermarket chains and food processors, all of which were demanding higher standards from suppliers.

Prof Marsh agreed: "In an over supplied market it is not simply that farmers will receive a premium, for 'quality' products but rather that those whose goods are not up to standard will find them increasingly difficult to sell except at reduced prices."

● Conservation. Sir Michael and Mr MacGregor both stressed this issue.

"The intense interest in the environmental and countryside aspects has, I believe, become much less shrill and more articulate and reasoned," said Sir Michael. He suggested that there was "a distinct improvement in relations and mutual understanding between the conservation bodies and the farming industry."

● The general question of land use. The National Farmers' Union and the Country Land Owners' Association have both acknowledged that farmers need to take more account of the environment.

Farmers are now asking what is to happen to the countryside if large areas of land are taken out of agriculture. One speaker yesterday said 1m acres of land had already been freed from use for grazing as a result of dairy quotas, and several maintained that there were few viable alternatives left in farming.

PRICE CHANGES

In tonnes unless stated otherwise	Nov. 21 1984	+ or —	Month ago
Metals			
Aluminium	£1100		£1100
Free Mkt	$1180/1210	-35	$1085-125
Copper			
Cash h Grade	£1088.5	+35.5	£1048.25
3 mths	£1109.75	+23.5	£1075
Cash Cathode	£1095	+26	£1048.5
3 mths	£1113	+26	£1071
Gold troy oz	$340.75	-2	$340.25
Lead Cash	£364.25	-0.75	£346.5
3 mths	£346.75	-6	£353.5
Nickel	£3967		£3960
Free Mkt	213/233c	+8	217/237c
Palladium oz	$140.25		$140.50
Platinum oz	$324.25		$327.75
Quick Silver†	$285/305		$302/312
Silver troy oz	609.85p	+10.25	601.40p
3 mths	623.90p	+10.90	616.60p
Tin cash	£9717.5	+3.5	£9665.5
3 mths	£9717.5	+20	£9667.5
Tungsten	$83.34		$85.16
Wolfram 22.04lb	$77.79	-1.5	$83/86
Zinc	£637	+11.75	£641.5
3 mths	£641.25	+11.75	£636.75
Producers	$900		$900
Oils			
Coconut (Phil)	$967.5w	-17.5	$1150
Groundnut	$960x	+15	
Linseed Crude			
Palm Malayan	$605v		$600
Seeds			
Copra Phil	$566x	-5	$690
Soyabean (U.S.)	$262	-0.75	$262
Grains			
Barley Fut.Jan	£109.30	-0.25	£110.40
Maize	£145.50w		
Wheat Fut.Jan	£110.25	+0.15	£110.60
No2 Hard Wint.			
Other commodities			
Cocoa ship't*	£1933	-23	£1996
Futures Dec	£1871	-28.5	£1915.5
Coffee Ft Jan	£2337	-20.5	£2318
Cotton Index			75.25c
Gas Oil Dec	$233.25		$232
Rubber (kilo)	60p		60p
Sugar (raw)	$111.5wv		$124
Wool tops 64s	470p kilo		467pkilo

$ Unquoted. v Jan. z Dec. y Jan-Feb. x Dec-Jan. w Nov-Dec. † Per 75 lb flask. * Ghana cocoa. n Nominal. c Cents per pound.

LONDON OIL

SPOT PRICES

	Latest	Change + or —
CRUDE OIL—FOB ($ per barrel)		
Arabian Light	27.65 27.75	-0.05
Dubai Fateh	26.95-27.10	-0.13
Arab Heavy	26.45 26.55	-0.05
North Sea (Forties)	27.40 27.65	-0.10
North Sea (Brent)	27.50 27.65	-0.13
African Bonny L'nt	27.55 28.00	-0.10
Urals	—	
PRODUCTS—North West Europe "cif" ($ per tonne)		
Premium gasoline	249 255	
Gas Oil	237 240	-0.5
Heavy fuel oil	182 185	-0.5

GAS OIL FUTURES

Weaker physicals and pressure from the crude market took prices through resistance levels and the market continued to move lower through the afternoon, reports Premier Man.

Month	Yest'day's close	+ or —	Business Done
	$ U.S. per tonne		
Nov	230.25	-2.50	231.50-30.00
Dec	233.25	[illegible]	[illegible]
Jan	230.25	[illegible]	[illegible]
Feb	232.50	[illegible]	[illegible]
March	224.00	[illegible]	[illegible]
April	224.00	[illegible]	[illegible]
May	223.50	[illegible]	[illegible]
July	223.50	-2.50	—

Turnover: 1,675 (1,408) lots of 100 tonnes.

GOLD MARKETS

Gold fell $2 to $340½-341 on the London bullion market yesterday. It opened at $342½-343 and was fixed at 342.75 in the morning and $340.30 in the afternoon. The metal touched a peak of $343-343½ and a low of $340-340½.

In Paris the 12½ kilo gold bar was fixed at FFr 101,600 per kilo ($341.62 per ounce) in the afternoon, compared with FFr 101,600 ($342.49) in the morning and FFr 101,200 ($342.57) Tuesday afternoon.

In Luxembourg the 12½ kilo bar was fixed at the equivalent of $343 per ounce compared with $342.75 previously.

In Zurich gold closed at $340½-341 against $342½-343. The Frankfurt market was closed for a public holiday.

LONDON FUTURES

Month	Yest'day's close	+ or —	Business Done
	$ per troy ounce		
Nov	341.40-41.50	[illegible]	[illegible]
Dec	[illegible]	[illegible]	[illegible]
Feb	—		
April	—		
June	—		
Aug	—		

Turnover: 189 (136) lots of 100 troy ounces.

	Nov. 21		Nov. 20	
Gold Bullion (fine ounce)				
Close	$340½-341	(£277¼-277¾)	$342½-343	(£278½-279)
Opening	$342½-343	(£277½-278)	$342½-343½	(£277¾-278¼)
Morning fixing	$342.75	(£277.063)	$342.60	(£274.405)
Afternoon fixing	$340.30	(£276.478)	$342.50	(£274.804)

Gold and Platinum Coins Nov. 21					
Krugrnd	$351-351½	(£286½-286¾)	King Sov	$81-82	(£66-67)
½ Krug.	$181½-182	(£147¾-148¼)	Victoria Sov	$81-82	(£66-67)
¼ Krug.	$92½-93¼	(£75¼-76)	French 20s	$64-65½	(£52-53½)
1/10 Krug.	$37½-38½	(£30¼-31¼)	50 Pesos Mex	$424½-426	(£346-347¼)
Mapleleaf	$350½-351½	(£286-286¾)	100 Cor Aust	$334-337	(£272½-274½)
New Sov.	$80-81	(£65-66)	$20 Eagles	$520-540	(£424-440¼)
½ New Sov.	$48¼-49	(£39¼-40)	Noble (Plat.)	$353½-358½	(£287¾-291¾)

EUROPEAN MARKETS

PARIS, November 21.

Sugar—(FFr per tonne): March 1468-1469, May 1525-1527, Aug 1602-1604, Oct 1656-1662, Dec 1712-1732, March 1822-1843.

Cocoa—(FFr per 1000 kg): Dec 2108-2112, March 2078-2081, May 2085-2105, July 2085 bid, Sept 2090 bid, Dec 2050-2080, March 2065-2075.

PHYSICALS—The London market opened about unchanged, attracted some covering interest throughout the day and closed uncertain, reports Lewis and Peat. Closing prices (buyers) spot 60.00p (same) Dec 70.00p (69.75p); Jan 70.75p (70.50p). The Kuala Lumpur Dec fob price for RSS No. 1 was 193.5 (195.5) cents a kg and for SMR 20 was 185.0 (same).

ROTTERDAM, November 21.

Wheat—(U.S. $ per tonne): U.S. No. 2 Soft Red Winter: Dec 164, Jan 163, Feb 164, March 164.50. U.S. No. 2 Northern Spring, 14 per cent protein: Spot 174, Dec 175, Jan 182, Feb 185, March 187.50, April/May 179. U.S. Northern Spring, 15 per cent protein: Dec 185, Nov 182.50, Dec 186, April/May 192. U.S. No. 2 Hard Amber Durum: Spot 193, Nov 191, Dec 191, April/June 191.50, June 193, Sept 192. Canadian No. 1 Western Amber Durum: Spot 210, April/May 208.

Maize—(U.S. $ per tonne) U.S. No. 3 Yellow: Afloat 137, Nov 135, Dec 133.50, Jan/March 136.50, April/June 138, sellers. Argentine, Plate: Dec 174, April/June 136, sellers.

Soyabeans—(U.S. $ per tonne) Gulf-ports: Dec 248, Jan 249, Feb 252, March 254.20, April 256.40, May 258.20, June 260.30, July 261.10, sellers.

Soyameal—(U.S. $ per tonne), 44 per cent: Afloat 178-183, Nov 170, Dec 167, Jan 167.50, Jan/March 171, April/Sept 166, sellers. Pellets, Brazil, Dec 184, Jan 186, Jan/March 189.50, April/Sept 186, sellers. Pellets, Argentine: Afloat 178-180, Nov 175.50, Dec 174.50, Jan 175, Jan/March 178, sellers.

BRITISH COMMODITY PRICES

BASE METALS

BASE-METAL PRICES continued to move ahead on the London Metal Exchange following the weakness of sterling against the dollar. Copper rose to close the late Kerb at £1,110 and Nickel touched a day's high of £3,955 before closing at £3,942.5. Chartist buying boosted Zinc to £639.5, after £644 but Lead eased back to £347 with the backwardation widening to around £17.5.

COPPER

Amalgamated Metal Trading reported that in the morning three months Higher Grade traded at £1,102, 1.5, 2, 1.5. Cathodes: Three months £1,101. Kerb: Higher Grade: Three months £1,100, 1,099.5, 1,100, 1,100.5, 1,100. Afternoon: Higher Grade: Three months £1,107, 6.5, 6, 7, 7.5, 9, 9.5, 10. Kerb: Higher Grade: Three months £1,109, 8, 7, 6.5, 7, 6.5, 7, 8, 9, 9.5, 10. Turnover: 35,650 tonnes. U.S. Producers: 64.00-68.00 cents per pound.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —†
High Grde	£	£	£	£
Cash	1080-1	+15.7	1088-9	+25.5
3 months	1101-.5	+18.7	1109.5-10	+23.5
Settlem't	1081	+16	—	—
Cathodes				
Cash	1083-5	+14	1094-6	+26
3 months	1101-2	+13.5	1112-4	+26
Settlem't	1085	+14	—	—

TIN

Tin — Morning: Standard: Three months £9,730, 35, 40, 35, 20, 15, 11, 12, 15. High Grade: Cash £9,765, three months £9,760. Kerb: Standard: Three months £9,720. Afternoon: Standard: Cash £9,720, three months £9,745, 50, 45, 25, 20, 15. High Grade: Three months £9,781. Kerb: Standard: Three months £9,720, 15, 10, 9,700. Turnover: 1,330 tonnes.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —†
High Grde	£	£	£	£
Cash	9765-70	+27	9760-5	+22
3 month	9760-5	+22	9760-1	+20
Settlem't	9770	+29	—	—
Standard				
Cash	9763-8	+28	9715-20	+2.5
3 months	9715-20	+25	9715-20	+20
Settlem't	9768	+28	—	—
Straits E.	$29.15	—	—	—

LEAD

Lead—Morning: Cash £369, 67, three months £348, 49, 50, 49, 50, 49.5, 50. Kerb: Three months £350. Afternoon: Three months £350, 47. Kerb: Three months £346, 47, 47.5. *Turnover: 23,750* tonnes. U.S. Spot: 26.00-28.00 cents per pound.

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —†
	£	£	£	£
Cash	366.5-7	-30	363.5-5	-.75
3 months	349.5-50	-40	346.5-7	-6
Settlem't	367	—	—	—

ZINC

Zinc—HIGH GRADE OFFICIAL/UNOFFICIAL PRICES: Cash am 687-692, pm 691-696. Three months am 682-683, pm 688-690 settlement 692. Morning: Three months £638, 37.5. Afternoon: Three months £639, 38, 39, 40, 43, 44, 43.5, 43, 42, 41, 41.5, 42, 41.5. Kerb: Three months £642, 40, 39. Turnover: 18,425 tonnes. U.S. Prime Western: 45.00-45.75 cents per pound.

ZINC	a.m. Official	+ or —	p.m. Unofficial	+ or —†
	£	£	£	£
Cash	683-5	+55.5	636.5-7.5	+10.5
3 months	687-8	+56.7	641-.5	+11.7
Settlem't	685	+56	—	—

ALUMINIUM

Aluminium—Morning: Three months £949, 50, 49, 48, 47, 45, 44, 41, 40, 42, 42.5, 42, 41.5, 41, 40.5, 41. Kerb: Three months £942, 43, 42, 41, 41.5. Afternoon: Three months £946, 48, 49, 50, 50.5, 51, 52, 52.5, 49, 48, 47, 46, 46.5, 46, 45.5, 45, 45.5, 46, 45.5, 45. Kerb. Three months £946.5, 45, 44, 42, 41, 40, 39, 40, 41, 42, 41.5, 41, 42, 44, 45, 48, 47, 45. Turnover: 36,675 tonnes.

Alumin'm	a.m. Official	+ or —	p.m. Unofficial	+ or —†
	£	£	£	£
Spot	916.5-7.5	-9.5	920.5-1.5	-4.25
3 months	941-.5	-10	945.5	-4.5

NICKEL

NICKEL	a.m. Official	+ or —	p.m. unofficial	+ or —†
Spot	3830 40	+76	3860-70	+71.5
3 months	3925-9	+84.5	3945-7	+68

Nickel — Morning: Three months £3,930, 40, 35, 32, 30, 27, 26, 20, 25. Kerb: Three months £3,925, 30. Afternoon: Three months £3,950, 58, 50, 47, 55, 50, 55, 54, 53, 50, 47. Kerb: Three months £3,940, 35, 40, 44. Turnover: 1,740 tonnes.

SILVER

Silver was fixed 10.25p an ounce higher for spot delivery in the London bullion market yesterday at 609.85p. U.S. cent equivalents of the fixing levels were: spot 751.2c, up 3.2c; three-month 768.5c, up 3c; six-month 786c, up 2.5c; and 12-month 826.0c, up 1.6c. The metal opened at 605-608p (750-753c) and closed at 608-611p (749-750c).

SILVER per troy	Bullion fixing price	+ or —	L.M.E. p.m. Unoffic'l	+ or —
Spot	609.85p	+10.2	609.c	+6.5
3 months	623.90p	+10.3	623.75p	+6.0
6 months	637.85p	+10.3	—	
12months	666.25p	+10.5	—	

LME—(2,000 oz contract): cash 609p (603.5p), three months 623.75p (617.75p). Turnover: 0 (0).

Turnover: 69 (150) lots of 10,000 oz. Morning: large 1st ring three months 624, 23.5; 2nd ring three months 623.5, 24. Kerb: untraded. Afternoon: large 1st ring three months 624, 24.5, 24; 2nd ring three months 624. Kerb: large three months 624, 23, 24, 25.

COCOA

During a day of high volume futures eased sharply and touched the limit-down level before light buying arrested the fall. Producers stood aside but consumers were active scale-down buyers and both cocoa bean and product business was brisk, reports Gill and Duffus.

COCOA	Yesterday's Close	+ or —	Business Done
	£ per tonne		
Nov	1800-2800	—	—
Dec	1870 1872	-28.5	1892-1860
March	1826-1827	-24.0	1842-1825
May	1827-1828	-21.0	1840 1825
July	1830-1833	-16.0	1841-1830
Sept	1830-1835	-16.0	1841-1850
Dec	1798-1800	-7.0	1808-1891
Mar	1795 1800	-5.0	1805-1790

Sales: 7,340 (4,507) lots of 10 tonnes. ICCO indicator prices (U.S. cents per pound). Daily price for November 21: 98.96 (101.23); five-day average for November 22: 102.70 (104.11).

COFFEE

Following a slightly steadier New York close London opened £3-6 higher in light volume, reports Drexel Burnham Lambert. A sharp decline in sterling *encouraged further gains before prices* fell towards the close as long liquidation in nearby contracts depressed values in a thin market.

COFFEE	Yesterd'ys Close	+ or —	Business Done
Nov	2440-50	-99.0	2545-30
January	2336 38	-20.5	2369-27
March	2236-38	-4.5	2256-28
May	2205-10	+7.0	2200-83
July	2198-02	+14.0	2185-69
Sept.	2190-00	+17.5	2195-81
Nov.	2180 85	+14.0	2190-83

Sales: 3,541 (2,296) lots of 5 tonnes. ICO indicator prices (U.S. cents per pound) for November 20: Comp. daily 1979 139.11 (138.81): 15-day average 133.11 (138.92).

GRAINS

Wheat values rose on further profit-taking and the booking of a large volume of export licences due to currency fluctuations, reports Muirpace.

	WHEAT		BARLEY	
Mnth	Yesterd'ys close	+ or —	Yesterd's close	+ or —
Nov	107.90	+0.30	106.85	-0.25
Jan	110.25	+0.16	109.30	-0.25
Mar	113.65	+0.20	112.60	-0.25
May	117.10	+0.30	116.30	-0.20
July	118.85	+0.55	—	—
Sept	97.60	—	96.60	—

LONDON GRAINS—Wheat: U.S. dark northern spring No 1 15 per cent. Dec 153.45, Jan 159.05, Feb 161.50 trans-shipment east coast. U.S. No 2 soft red winter, Dec/Jan 148, Feb 144.25. English feed fob Jan/Mar 113.50-114.00 east coast. Maize: U.S. No 3 yellow/French trans-shipment east coast second half Nov/second half Dec 145 quoted. Barley: English feed fob Nov 111 seller. Rest unquoted.

HGCA — Locational ex-farm spot prices. Feed barley: E. Mids 106.70, N East 106.40, Scotland 105.50. The UK monetary co-efficient for the week beginning Monday November 26 is expected to remain unchanged.

Business done: Wheat: Nov 107.80 only, Jan 110.30-10.20, March 113.70-3.60, May 117.10-6.95, July and Sept untraded. Sales: 84 lots of 100 tonnes. Barley: Nov 107.20-7.00, Jan 109.60-9.25, March 112.60 only, May 115.30 only, Sept untraded. Sales: 97 lots of 100 tonnes.

RUBBER

FUTURES—RSS No 1, £ per tonne. Dec 595, 615; Jan 605, 625; Feb 615, 635; March 625, 645; April 635, 655; May 645, 665; June 655, 676; July 665, 685; Aug 675, 696; 1985 Jan/March 615, 635; 1985 April/June 645, 665; 1985 July/Sept 675, 695. Sales: 0 (0) lots of 5 and 15 tonnes.

PIGMEAT

Prices closed on a slightly weaker note following physical prices and on light trade resistance. Volume was slightly improved but conditions were still dull, reports CCST Commodities.

Month	Yesterdays close	Previous close	Business done
	p. per kilo (deadweight)		
Feb	117.30	117.30	117.30-17.00
April	116.20	116.30	116.20-16.08
June	111.40	111.90	111.50-11.40
Aug	109.30	109.80	109.50-9.30
Oct	114.10	114.50	114.50-14.00
Nov	114.80	115.50	115.10-14.80

Sales: 66 (40) lots of 50 carcases, 3,250 kg.

POTATOES

November continued firm, with gains of £4.20 being recorded before selling interest trimmed levels towards the close. There is still little to justify this firmness. Forward positions rallied, perhaps in sympathy with the spot position but stayed within the recently established trading range, reports Coley and Harper.

Month	Yesterdy's close	Previous close	Business Done
	£ per tonne		
Nov	56.80	53.30	57.50-53.00
Feb	50.50	48.30	50.50-48.00
April	59.30	57.50	59.30 57.50
May	61.80	60.00	61.50-60.50
Nov	69.30	69.50	69.00

Sales: 296 (135) lots of 40 tonnes.

SOYABEAN MEAL

The market opened 50p to £1.00 higher in thin trade, reports T. G. Roddick. Gains were consolidated throughout the afternoon with commission house support.

	Yesterday close	+ or —	Business Done
	£ per tonne		
Dec	135.0-145.0	—	—
Feb	138.9-139.1	+1.00	138.0-138.8
April	141.8-142.2	+1.25	142.0-141.8
June	143.1-148.5	+1.15	—
August	146.5-147.0	+1.25	—
October	147.0-148.5	+0.50	—
Dec	148.0-150.5	+0.15	—

Sales: 165 (44) lots of 20 tonnes. 0 (0) lots of 100 tonnes.

SUGAR

LONDON DAILY PRICE—Raw sugar $111.50 (90.00), down $1.00 (unchanged) a tonne for Nov-Dec-Jan delivery. White sugar $156.50, down $2.00.

No.6 Contract	Yest'day's close	Previous close	Business done
	$ per tonne		
Dec	127.0-128.6	128.8-127.6	128.0-126.6
Mar	146.8-146.0	145.0-145.2	146.2-142.6
May	155.0-155.2	152.0-152.4	153.2-149.8
Aug	162.4-162.8	161.8-162.0	161.6-159.6
Oct	170.2-170.6	169.4-169.8	170.0-166.0
Dec	176.0-178.0	175.0-177.0	176.0
Mar	190.6-191.1	190.0-191.0	190.2-190.8

Sales: 2,143 (2,310) lots of 50 tonnes.

Tate and Lyle delivery price for granulated basis sugar was £194.00 (same) a tonne for export.

International Sugar Agreement—(U.S. cents per pound fob and stowed Caribbean ports.) Prices for November 20: Daily price 4.09 (4.16): 15-day average 4.45 (4.59).

MEAT/FISH

MEAT COMMISSION—Average fatstock prices at representative markets. GB—Cattle 96.13p per kg lw (+0.61). GB—Sheep 179.89p per kg est d c w (−5.71). GB—Pigs 90.34p per kg lw (+0.26). GB—AAPP 114.43p per kg dw (+0.09).

SMITHFIELD—Pence per pound. Beef—Scotch killed sides 77.0 to 84.0; English hindquarters 95.5 to 98.5, forequarters 54.5 to 57.5. Veal—Dutch hinds and ends 121.0 to 125.0. Lamb—English small 74.0 to 82.0, medium 74.0 to 80.0, heavy 72.0 to 76.0; Scotch medium 74.0 to 77.0, heavy 71.0 to 75.0. Imported: New Zealand PL 68.5 to 68.0, PX 64.0 to 64.5. Pork—English under 100 lbs 49.0 to 65.0, 100-120 lbs 58.5 to 64.5, 120-160 lbs 48.0 to 56.0.

HIDES

HIDES—Leeds (Birmingham). Second clears. Ox: 31-35.5 kg, 105.4 pakg, (103.0p withdrawn): 26-30.5 kg, 119.1 pakg, (115.0p withdrawn): 22-25.5 kg, 128.6 pakg, (126.6p). Cows: 25.5 kg, 129.5 pakg withdrawn, (127.3p).

WOOL FUTURES

LONDON NEW ZEALAND CROSS-BREDS—Close (in order: buyer, seller, business). New Zealand cents per kg. Dec 507, 509, 508-507; Jan 506, 508, 508-507; March 513, 515, 514-513; May 519, 520, 520-519; Aug 533, 534, 535-534; Oct 536, 538, 536; Dec 536, 538, 538-537; Jan 537, 538, 538; March 547, 549, 548-547; May 550, 552, 552-551. Sales 83.

SYDNEY GREASY WOOL—Close (in order: buyer, seller, business). Australian cents per kg. Dec 563.5, 564.0, 563.5; March 581.5, 582.0, 581.5; May 589.5, 590.0, 589.5; July 595.0, 596.0, untraded; Oct 587.0, 588.0, 587.0; Dec 590.0, 591.0, 590.0; March 596.0, 600.0, untraded; May 598.5, 608.0, untraded. Sales: 25.

INDICES

FINANCIAL TIMES

Nov. 20	Nov. 19	M'th ago	Year ago
294.76	293.97	293.78	284.21

(Base: July 1 1952 = 100)

REUTERS

Nov. 21	Nov. 20	M'th ago	Year ago
1868.7	1867.0	1894.9	1917.4

(Base: September 18 1931 = 100)

MOODY'S

Nov. 20	Nov. 19	M'th ago	Year ago
983.4	966.0	960.8	1008.9

(Base: December 31 1931 = 100)

DOW JONES

Dow Jones	Nov. 16	Nov. 7	Month ago	Year ago
Spot	—	126.25	124.3	134.45
Fut	128.94	130.13	125.95	140.79

(Base: December 31 1974 = 100)

COTTON

LIVERPOOL — Spot and shipment sales amounted to 342 tonnes. Some useful demand was encountered and the offtake was quite encouraging. Operations were centred on Middle Eastern and African type qualities.

Norway attacks fish levy plans

OSLO—Norway yesterday protested to the European Community over its plans to levy a duty on Norwegian fish products, and called on the 10 nation bloc to drop the proposals.

Mr Asbjoern Haugstvedt, Commerce and Shipping Minister, said in a letter to M Gaston Thorn, president of the Commission of the European Community, that he was "deeply concerned" about the proposal to levy duty on dried and salted cod and cod fillets.

Mr Haugstvedt wrote that the duty would affect at least 16 per cent of Norway's fish exports to the Community.

Under the Community's proposals, dried and salted cod would be subject to a 13 per cent duty and cod fillets to a 20 per cent duty from next July. These products have been exempted from Community duty until now.

Reuter

Sri Lanka ups rubber output

COLOMBO — Sri Lanka produced 75.3m kg of rubber during the first half of this year, up 10 per cent from the same period in 1983, Central Bank of Ceylon figures show.

However, total production in 1984 is expected to be at last year's level of 140m kg, the bank said in a report.

Rubber exports earned 2.85bn SL rupees last year, and is projected to reach 3.54bn SL rupees in 1984, the report said.

Reuter

AMERICAN MARKETS

NEW YORK, November 21.

Gold and silver were mixed after showing early losses as the Federal Reserve continued to show an easier credit stance, reports Heinold Commodities. Copper benefited from the lower trend in interest rates along with light trade demand. Aluminium came under light pressure from arbitrage selling. Sugar recovered from early losses to close mixed on light trade support. Cocoa was weak on technical considerations along with better availability in cash markets. Coffee was weak as roaster buying failed to emerge in cash markets. Cotton was steady on a lack of fresh developments. The grain and soyabean complex was mixed with commercial selling developing near the close. Heating oil was under pressure from rising expectations of further cuts in the price due to poor product demand.

NEW YORK

ALUMINIUM 40,000 lb, cents/lb

	Close	High	Low	Prev
Dec	[illegible]	[illegible]	[illegible]	[illegible]
Jan	[illegible]	[illegible]	[illegible]	[illegible]
March	[illegible]	[illegible]	[illegible]	[illegible]
May	[illegible]	[illegible]	[illegible]	[illegible]
July	[illegible]	[illegible]	[illegible]	[illegible]
Sept	[illegible]	[illegible]	[illegible]	[illegible]
Dec	[illegible]	[illegible]	[illegible]	[illegible]
Jan	[illegible]	[illegible]	[illegible]	[illegible]
March	[illegible]	[illegible]	[illegible]	[illegible]

COCOA 10 tonnes, $/tonnes

	Latest	High	Low	Prev
Dec	[illegible]	[illegible]	[illegible]	[illegible]
March	[illegible]	[illegible]	[illegible]	[illegible]
May	[illegible]	[illegible]	[illegible]	[illegible]
July	[illegible]	[illegible]	[illegible]	[illegible]
Sept	[illegible]	[illegible]	[illegible]	[illegible]
Dec	[illegible]	[illegible]	[illegible]	[illegible]
March	[illegible]	[illegible]	[illegible]	[illegible]

COFFEE "C" 37,500 lb, cents/lb

	Close	High	Low	Prev
Dec	[illegible]	[illegible]	[illegible]	[illegible]
March	[illegible]	[illegible]	[illegible]	[illegible]
May	[illegible]	[illegible]	[illegible]	[illegible]
July	[illegible]	[illegible]	[illegible]	[illegible]
Sept	[illegible]	[illegible]	[illegible]	[illegible]
Dec	[illegible]	[illegible]	[illegible]	[illegible]
March	[illegible]	[illegible]	[illegible]	[illegible]

COPPER 25,000 lb, cents/lb

	Close	High	Low	Prev
Nov	[illegible]	[illegible]	[illegible]	[illegible]
Dec	[illegible]	[illegible]	[illegible]	[illegible]
Jan	[illegible]	[illegible]	[illegible]	[illegible]
March	[illegible]	[illegible]	[illegible]	[illegible]
May	[illegible]	[illegible]	[illegible]	[illegible]
July	[illegible]	[illegible]	[illegible]	[illegible]
Sept	[illegible]	[illegible]	[illegible]	[illegible]
Dec	[illegible]	[illegible]	[illegible]	[illegible]
Jan	[illegible]	[illegible]	[illegible]	[illegible]

CRUDE OIL (LIGHT) 42,000 U.S. gallons, cents/U.S. gallons

	Close	High	Low	Prev
Jan	[illegible]	[illegible]	[illegible]	[illegible]
Feb	[illegible]	[illegible]	[illegible]	[illegible]
March	[illegible]	[illegible]	[illegible]	[illegible]
April	[illegible]	[illegible]	[illegible]	[illegible]
May	[illegible]	[illegible]	[illegible]	[illegible]

GOLD 100 troy oz, $/troy oz — [illegible]

HEATING OIL 42,000 U.S. gallons, cents/U.S. gallons — [illegible]

ORANGE JUICE 15,000 lb, cents/lb — [illegible]

PLATINUM 50 troy oz, $/troy oz — [illegible]

SILVER 5,000 troy oz, cents/troy oz — [illegible]

SUGAR WORLD "11" 112,000 lb, cents/lb — [illegible]

COTTON 50,000 lb, cents/lb — [illegible]

CHICAGO

LIVE CATTLE 40,000 lb, cents/lb — [illegible]

LIVE HOGS 30,000 lb, cents/lb — [illegible]

MAIZE 5,000 bu min, cents/56-lb bushel — [illegible]

PORK BELLIES 38,000 lb, cents/lb — [illegible]

SOYABEANS 5,000 bu min, cents/60-lb bushel — [illegible]

SOYABEAN MEAL 100 tons, $/ton — [illegible]

SOYABEAN OIL 60,000 lb, cents/lb — [illegible]

WHEAT 5,000 bu min, cents/60-lb bushel — [illegible]

SPOT PRICES—Chicago loose lard 29.50 (30.00) cents per pound. New York tin 545.0-558.0 (550.0-564.0) cents per pound. Handy and Harman silver bullion 747.0 (742.0) cents per troy ounce.

CURRENCIES, MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

Dollar strong but nervous

The dollar gained more than one pfennig against the D-mark on the foreign exchanges yesterday in nervous trading. As views have changed about the prospects for interest rates, short positions have been turned round, and the dollar has gained ground steadily recently. The U.S. budget deficit is regarded as a major problem preventing lower U.S. interest rates, and this is encouraging the market to ignore economic statistics indicating much lower U.S. growth.

An unchanged rise of 0.4 per cent in October consumer prices was expected, and in the present circumstances the dollar was able to shrug off a disappointing fall of 4.1 per cent in October durable goods orders, against a revised September drop of 3.3 per cent.

The threat of intervention by the German Bundesbank continues to overhang the market, and although German financial markets were closed for a public holiday yesterday, an air of nervousness was generated by today's closure of the New York market for Thanksgiving Day. It was feared the German central bank may take advantage of a thin market and the absence of U.S. traders to attack the dollar today and push it back below the DM 3.00 level.

This probably limited the dollar's advance, and the U.S. currency finished below its best levels of the day. After touching DM 3.0250 it closed at DM 3.0185 compared with DM 3.0060, and also rose to FFr 9.25 from FFr 9.2225; SwFr 2.5010 from SwFr 2.4890; and Y245.50 from Y245.

On Bank of England figures the dollar's index rose to 140.9 from 140.0.

STERLING—Trading range against the dollar in 1984 is 1.4905 to 1.1875. October average 1.2207. Exchange rate index fell 0.9 to close at the day's low of 75.1, the weakest level since November 1. The peak was the opening of 75.9, and present levels compared with 80.5 six months ago.

Falling North Sea oil prices on the European spot market depressed sterling. The pound touched a low of $1.2185, but recovered some ground in late trading, to close 1.05 cents lower on the day at $1.2270-1.2280. Sterling also fell to DM 3.70 from DM 3.7250; FFr 11.3575 from FFr 11.3975; SwFr 3.07 from SwFr 3.08; and Y301.50 from Y303.

BELGIAN FRANC—Trading range against the dollar in 1984 is 63.450 to 52.240. October average 62.02. Trade-weighted index 89.1 against 89.9 six months ago.

The Belgian franc weakened against the very strong dollar at the Brussels fixing, but was firm against its EMS partners. The dollar rose to BFr 60.76 from BFr 60.40, while sterling fell to BFr 74.84 from BFr 75.30. The franc was unchanged against the Dutch guilder, but improved against the other members of the EMS. There was no intervention by the Belgian National Bank to support the franc during the week ending on Monday. In the same week the central bank's foreign curency reserves fell by BFr 5.26bn to BFr 47.1bn, but the funds were used to build up holdings of European curency units, which rose by BFr 7.57bn to BFr 153.55bn.

EMS EUROPEAN CURRENCY UNIT RATES

	Ecu central rates	Currency amounts against Ecu November 21	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc ...	44.9008	44.9386	+0.08	+0.27	±1.5428
Danish Krone ...	8.14104	8.06173	−0.97	−0.78	±1.6421
German D-Mark	2.24184	2.23103	−0.48	−0.29	±1.1463
French Franc ...	6.87456	6.84286	−0.46	−0.27	±1.3659
Dutch Guilder...	2.52595	2.51800	−0.31	−0.12	±1.5165
Irish Punt	0.72569	0.718067	−1.05	−0.86	±1.6671
Italian Lira	1403.49	1386.03	−1.24	−1.24	±4.0511

Changes are for Ecu, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

STERLING EXCHANGE RATE INDEX

(Bank of England)

	Nov 21	Previous
8.30 am	—	—
9.00 am	75.8	76.1
10.00 am	75.8	76.1
11.00 am	75.7	76.1
Noon	75.4	76.1
1.00 pm	75.6	76.0
2.00 pm	75.5	76.1
3.00 pm	75.2	76.1
4.00 pm	75.1	76.0

£ in New York

	November 21	Prev. close
£ Spot	$1.2310-1.2320	$1.2390-1.2400
1 month	0.07½-0.05pm	0.04-0.03 pm
3 months	0.05-0.02 pm	par-0.03 dis
12 months	0.75-0.85 dis	0.90-1.00 dis

Forward premiums and discounts apply to the U.S. dollar.

POUND SPOT—FORWARD AGAINST POUND

Nov 21	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	1.2185-1.2410	1.2270-1.2280	0.07-0.04c pm	0.54	0.06-0.01 pm	0.11
Canada	1.6130-1.6325	1.6175-1.6185	0.14-0.22c dis	−1.33	0.44-0.58dis	−1.26
Nethlnd.	4.15¾-4.21¼	4.17¾-4.18¾	1½-1¼c pm	4.13	4-4¾ dis	−4.18
Belgium	74.70-75.15	74.70-74.80	2-7c dis	−0.72	12-21 dis	−0.88
Denmark	13.33½-13.47	13.37-13.38	1½-2¾ore dis	−1.68	7¾-8¾ dis	−2.35
Ireland	1.1876-1.2019	1.1912-1.1926	0.33-0.49p dis	−4.13	1.17-1.41dis	−4.33
W. Ger.	3.69-3.73½	3.69½-3.70½	1¾-1½pf pm	5.47	3¼-3¾ pm	3.85
Portugal	198.00-202.55	198.70-200.70	180-565c dis	−22.44	565-1700dis	−22.74
Spain	205.80-208.00	207.50-207.70	50-80c dis	−3.76	165-220 dis	−3.71

Belgian rate is for convertible francs. Financial franc 75.00-75.10. Six-month forward dollar 0.08-0.13c dis. 12-month 0.72-0.87c dis.

DOLLAR SPOT—FORWARD AGAINST DOLLAR

Nov 21	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.2185-1.2410	1.2270-1.2280	0.07-0.04c pm	0.54	0.06-0.01 pm	0.11
Ireland†	1.0285-1.0315	1.0288-1.0298	0.45-0.40c pm	4.95	1.25-1.15 pm	4.66
Canada	1.3178-1.3191	1.3186-1.3191	0.19-0.22c dis	−1.86	0.43-0.48dis	−1.38
Nethlnd.	3.3915-3.4120	3.4065-3.4075	1.04-1.01c pm	3.61	3.11-3.08 pm	3.63
Belgium	60.56-60.88	60.75-60.85	4½-6½c dis	−0.99	9-11 dis	−0.66
Denmark	10.86½-10.90¾	10.90¼-10.90¾	1¾-2¼ore dis	−2.20	3¾-4¼ dis	−1.47
W. Ger.	3.0100-3.0250	3.0180-3.0190	1.10-1.05pf pm	4.29	2.87-2.82 pm	3.79
Portugal	162-163½	162-163½	175-525c dis	−25.81	450-1350dis	−22.12
Spain	169.15-169.36	169.15-169.35	55-65c dis	−4.25	140-160 dis	−3.54

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency. Belgian rate is for convertible francs. Financial franc 61.10-61.20.

OTHER CURRENCIES

Nov. 21	£	$		£ Note Rates
Finland Markka	7.6891-7.7250	6.2995-6.3015	France	11.38-11.50
Greek Drachma	151.15-154.98	122.04-125.14	Germany	3.71-3.75
Hong Kong Dollar	9.5450-9.5520	7.8250-7.8280	Italy	2290-2325
Iran Rial	114.60*	91.25*	Japan	301-306
Kuwait Dinar(KD)	0.36800-0.36858	0.30175-0.30185	Netherlands	4.19-4.23
Luxembourg Fr.	74.70-74.80	60.75-60.85	Norway	10.78-10.88
Malaysia Dollar	2.9275-2.9350	2.4005-2.4035	Portugal	212-217
New Zealand Dlr.	2.4860-2.4910	2.0370-2.0400	Spain	206-215½
Saudi Arab. Riyal	4.5460-4.5510	3.5610-3.5620	Sweden	10.63-10.75
Singapore Dollar	2.6240-2.6290	2.1515-2.1530	Switzerland	3.07-3.10
Sth African Rand	2.1927-2.2013	1.7970-1.8020	United States	1.22¼-1.24¼
U.A.E. Dirham	4.4815-4.4865	3.6720-3.6730	Yugoslavia	270-300

* Selling rates.

CURRENCY MOVEMENTS

Nov 21	Bank of England Index	Morgan Guaranty Changes %
Canadian dollar	89.9	−3.5
Austrian schilling	111.7	+3.5
Belgian franc	89.1	−10.7
Danish Kroner	76.8	−5.9
Deutsche mark	121.9	+6.7
Swiss franc	140.9	+9.5
Guilder	111.6	+3.5
French franc	64.4	−16.0
Lira	46.7	−14.3
Yen	156.1	+11.9

Morgan Guaranty changes: average 1980-1982=100. Bank of England Index (base average 1975=100).

CURRENCY RATES

Nov. 21	Bank rate %	Special Drawing Rights	European Currency Unit
Danish Kr.	7	10.8712	8.06173
Dmark	4½	n.a.	2.23103
Guilder	5	3.39974	2.51800
French Fr.	9½	9.83571	6.84286
Lira	16½	1870.61	1386.03
Yen	5	244.322	181.426
Norwgn Kr.	8	8.73049	6.48452
Spanish Pta.	½	169.037	126.216
Swedish Kr.	9	8.60668	6.38725
Swiss Fr.	4	2.49534	1.84991
Greek Dr'ch	20½	124.158	91.9333
Irish Punt	12¾	0.969374	0.718067

* C$/SDR rate for Nov 20: 1.32143

EXCHANGE CROSS RATES

Nov. 21	Pound St'ling	U.S. Dollar	Deutsche m'k	J'panese Yen	French Franc	Swiss Franc	Dutch Guild	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	1.228	3.700	301.5	11.36	3.070	4.178	2299.	1.618	74.75
U.S. Dollar	0.815	1.	3.019	245.5	9.250	2.501	3.407	1874.	1.318	60.80
Deutchemark	0.270	0.339	1.	81.49	3.070	0.830	1.129	621.4	0.437	20.20
Japanese Yen 1,000	3.317	4.071	12.27	1000.	37.67	10.18	13.86	7625.	5.367	247.9
French Franc 10	0.880	1.081	3.258	265.5	10.	2.703	3.678	2024.	1.425	65.82
Swiss Franc	0.326	0.400	1.205	98.21	3.700	1.	1.361	748.9	0.527	24.35
Dutch Guilder	0.239	0.294	0.886	72.17	2.719	0.735	1.	550.3	0.387	17.89
Italian Lira 1,000	0.435	0.534	1.609	131.1	4.940	1.335	1.817	1000.	0.704	32.51
Canadian Dollar	0.618	0.759	2.287	186.3	7.019	1.897	2.582	1421.	1.	46.20
Belgian Franc 100	1.338	1.642	4.950	403.3	15.19	4.107	5.589	3076.	2.165	100.

EURO-CURRENCY INTEREST RATES (Market closing rates)

Nov. 21	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	D-mark	French Franc	Italian Lira	Belgian Franc Conv.	Belgian Franc Fin.	Yen	Danish Krone
Short term	9¾-10⅛	9-9⅛	10⅛-10¾	5⅝-5⅞	1⅛-1¼	5⁵⁄₁₆-5⅜	11-11⅛	14⅛-15⅛	10¼-10¾	10½-10¾	6⁵⁄₁₆-6½	11⅛-12

Asian $ (closing rates in Singapore): Short-term 9¼-9⅜ per cent; seven days 9¼-9⅜ per cent; one month 9⁵⁄₁₆-9⁷⁄₁₆ per cent; three months 9½-9⅝ per cent; six months 9¹³⁄₁₆-9¹⁵⁄₁₆ per cent; one year 9⅞-9½ per cent. Long-term Eurodollars: two years 11⅛-11⅜ per cent; three years 11⅞-12⅛ per cent; four years 12⅛-12⅜ per cent; five years 12¼-12½ per cent nominal rates. Short-term rates are call for U.S. dollars and Japanese yen; others two days' notice.

FINANCIAL FUTURES

Softer trend

Sterling based contracts were marked down in the London International Financial Futures Exchange yesterday in reaction to sterling's weaker trend. There was some recovery towards the end of the day and prices finished above the day's lows but still down from Tuesday. The late upturn was attributed to a little short covering.

Sterling's decline was based on weaker oil prices and a growing conviction that, given an official desire to see UK interest rates lower, there was little prospect of the authorities using interest rates as a weapon to contain any potential decline in the value of sterling.

U.S. Treasury bond prices were a little firmer to start with but finished mostly unchanged on the day ahead of today's closure of many U.S. centres for Thanksgiving Day. On the other hand Euro-dollar contracts finished quite strong. The failure of bond prices to benefit from Tuesday's downward revision in U.S. economic growth was not easily explained and the picture became even less clear yesterday after the release of much lower than expected U.S. durable goods orders.

MONEY MARKETS

Sterling weakness unsettles trading

Interest rates were slightly firmer in London yesterday following sterling's weaker trend. Lower oil prices and the dollar's continued strength were mostly responsible for the turnaround. Sentiment was basically unchanged however with much of the market still looking for a further reduction in UK clearing bank base rates.

In addition the authorities will not be anxious to see sterling depreciate to any significant extent ahead of next week's allocation of British Telecom shares.

UK clearing banks' base lending rate 9¾-10 per cent since November 20

Three-month interbank money was quoted at 9⁹⁄₁₆-9⅞ per cent compared with 9⁹⁄₁₆-9⅞ per cent while three-month eligible bank bills were bid at 9⁷⁄₁₆ per cent from 9⁵⁄₁₆ per cent. Overnight interbank money touched a high of 10¼ per cent but eased away to 8 per cent before finishing at 9 per cent.

The Bank of England forecast a shortage of around £700m with factors affecting the market including maturing assistance and a take up of Treasury bills together draining £340m and Exchequer transactions a further £290m. There was also an increase in the note circulation of £80m offset partly by banks' balances brought forward £25m above target.

To help alleviate the shortage the Bank offered an early round of assistance which totalled £513m and comprised sale and repurchase on £431m of bills at 11¼ per cent, unwinding on December 11 and £82m at 9⅞ per cent, undwinding on December 12. Additional help in the morning was made up of purchases of £17m of eligible bank bills in band 2 (15-33 days) at 9⅝ per cent and £4m in band 4 (64-91 days) at 9½ per cent. It also arranged additional sale and repurchase agreements on £78m of bills at 9⅞ per cent, unwinding on December 12.

The forecast was later revised to a shortage of around £650m before taking into account the early help and the Bank gave additional help in the afternoon by buying £24m of eligible bank bills at 9⅝ per cent in band 2. Total assistance was £636m.

MONEY RATES

Nov. 21	Frankfurt	Paris	Zurich	Amst'dam	Tokyo	Milan	Brussels	Dublin
Overnight	5.4-5.5	11¼	1⅛-1⅝	5½-5⅝	6.03125	16⅞-17¼	9.40	13¼-13½
One month	5.45-5.60	10⁹⁄₁₆-10¹¹⁄₁₆	4⅜-4½	5⅝-5¹¹⁄₁₆	6.34375	16⅞-17¼	10⅝-10⅞	13⅞-14⅛
Two months	5.80-5.95	10⅝-10¾	—	—	—	—	—	14-14¼
Three months	5.80-5.95	10⅝-10¾	5⁵⁄₁₆-5⅞	5⅞-6	6.28125	17⅛-17½	10⅝-10⅞	14⅛-14⅜
Six months	5.80-5.95	10½-10⅝	—	6-6⅛	—	—	10⅝-10⅞	14⅛-14⅜
Lombard	5.5	—	—	—	—	—	—	—
Intervention	—	11	—	5¾	—	—	—	—

LONDON MONEY RATES

Discount Houses Deposit and Bill Rates

Nov. 21 1984	Sterling Certificate of deposit	Interbank	Local Authority deposits	Company Deposits	Market Deposits	Treasury (Buy)	Treasury (Sell)	Eligible Bank (Buy)	Eligible Bank (Sell)	Fine Trade (Buy)
Overnight	—	8-10¼	9⅞-10	9½-10¼	8-9¾	—	—	—	—	—
2 days notice	—	—	9¾-9⅞	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	—	—	—	—	—
7 days notice	—	9¹³⁄₁₆-10¹⁄₁₆	9¾-9⅞	10⅛-10¼	9⅝-9¾	—	—	—	—	—
One month	9¹¹⁄₁₆-9¾	9¾-9⅞	9¾	10	9½-9⅝	9⅝	9⁹⁄₁₆	9⁵⁄₁₆	9⁹⁄₁₆-9½	10⁵⁄₁₆
Two months	9¾-9¹³⁄₁₆	9¹³⁄₁₆-9⅞	9¾	9⅞	9½	9⁷⁄₁₆	9⁷⁄₁₆	9⁷⁄₁₆	9⁵⁄₁₆-9⅝	10⁵⁄₁₆
Three months	9¾-9⅝	9⁹⁄₁₆-9⅞	9¾	9⅞	9⅜	9¼	9⁵⁄₁₆	9⁷⁄₁₆	9⁷⁄₁₆-9⅝	9⅞
Six months	9¾-9⅝	9⁹⁄₁₆-9⅞	9¾	—	—	—	—	9⅜	9⁵⁄₁₆-9⅝	9⅞
Nine months	9¾-9⅝	9¾-10	—	—	—	—	—	—	—	—
One year	9¾-9⅝	9⁹⁄₁₆-10	9⅞	—	—	—	—	—	—	—

FT LONDON INTERBANK FIXING

(11.00 a.m. November 21)

3 months U.S. dollars: bid 9 1/2, offer 9 5/8

6 months U.S. dollars: bid 9 15/16, offer 9 15/16

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

Company Notices

INTERNATIONAL CAPITAL MARKETS

OVER-THE-COUNTER

Continued from Page 34

Stock	Sales (Hnds)	High	Low	Last	Chng
[illegible]					

Pre-launch activity in Euroyen CD market

By Peter Montagnon in London

NEW ISSUE activity in the Euroyen certificate of deposit (CD) market is building up ahead of the official December 1 launch date with the announcement yesterday of a Y5bn issue for the Bank of Tokyo's London branch.

Lead manager of the issue is Merrill Lynch, which said yesterday that the certificates to be sold from December 3 will bear a maturity of six months and come in denominations of Y250m and Y100m.

This means that the paper should appeal more to institutional investors than the other Euroyen CD issue announced this week. This will be a Y10bn issue for Crédit Suisse, led by Credit Suisse First Boston, and is divided into minimum denominations of Y2m to appeal smaller retail investors.

Both Merrill Lynch and Credit Suisse First Boston have said they intend to be active market makers of Euroyen CDs when the new market officially starts next month.

Stock	Sales (Hnds)	High	Low	Last	Chng
[illegible]					

Lukewarm reception for C$150m Quebec issue

BY MAGGIE URRY IN LONDON

THE Province of Quebec yesterday launched the largest Euro-Canadian dollar bond issue yet seen totalling C$150m. But its size and the tight terms set by lead manager Société Générale made for a lukewarm reception in the market.

Dealers criticised the 10-year maturity, the 12 per cent coupon and the fees which totalled 2 per cent. It might take some weeks fully to place the paper, they said. However, the issue traded inside the full fees, and traders noted that the lead manager was supporting the price.

The Eurodollar bond market was quiet ahead of today's Thanksgiving holiday in the U.S., and there were no new issues. The good economic statistics coming from the U.S. only served to give traders a chance to off-load positions, and the market was around ¼ point lower.

The Eurosterling market saw another fixed rate issue – from the Royal Bank of Canada. Lead managed by Orion Royal Bank, the £40m deal has a seven-year life and 10⅝ per cent coupon. Issue price is par, and the bonds were offered at a discount of 1½ per cent, inside the 1⅞ per cent fees. At the offered level the yield is close to similarly dated UK government stocks. Co-leads are S. G. Warburg and County Bank.

Swiss franc bonds were little changed in moderate trading, with the strong dollar making for uncertainty. The IC Industries 10-year issue started trading yesterday and was quoted at 99¼, a point discount to its 100¼ issue price.

Crédit Suisse launched the World Bank's SwFr 200m public issue. The yield for the 10-year bond is indicated at 5⅜ per cent and final terms will be set on November 28.

Soditic will be offering a dual currency convertible bond for Gillette on the public Swiss franc bond market. It will have a maximum size of SwFr 165m and redemption in U.S. dollars of $82.5m. The bonds will be convertible into Gillette shares at a premium indicated at 30 per cent, and the coupon is expected to be set at 4¾ per cent – payable in Swiss francs.

UBS has arranged a SwFr 50m private placement for Fukuyama Transport. The five-year issue has a 5⅝ per cent coupon and par issue price.

Sadas signs $270m syndicated facility

BY FINN BARRE IN RIYADH

SAUDI PETROCHEMICAL company (Sadas) has signed a $270m syndicated loan to provide it with the start-up funds and capital for its petrochemical complex.

Sadas is the largest petrochemical complex in the country and is due to begin commercial production early in 1985. The company is half owned by Saudi Arabian Basic Industries Corporation (Sabic) and by Pecten Arabian – an affiliate of Shell Oil of the U.S.

The loan was syndicated among eight banks – seven of them Saudi – and was led by National Commercial Bank, the largest in the Kingdom.

● Chevron Capital USA, a unit of Chevron, the U.S. oil major yesterday filed with the Securities and Exchange Commission for a shelf offering of $1bn in debt securities.

The unit said payment of principal, premium and interest on the securities would be guaranteed by the parent, formerly Standard Oil Company of California.

Dutch launch 7.5% loan

THE HAGUE – The Dutch Finance Ministry has announced a 7.5 per cent state loan due 1991/2000, with the amount and issue price to be fixed at tender on November 27. Payment and coupon date is January 15.

The bonds will be redeemed in 10 annual instalments, starting on January 15 1991. Early redemption in part or in full is possible from January 1 1995 at a price of 103.

The previous state loan in August, an 8.5 per cent issue due 1990/94, sold at 100.50 and raised Fl 6.5bn.

The new loan will be used to finance next year's Dutch budget deficit.

Reuter

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. The following are closing prices for November 21.

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
[illegible]						